



# The Process of Service Model Innovation in a Public Organisation – Case Vuosaaren Kotihoito

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<b>Title of thesis: The Process of Service Model Innovation in a Public Organisation – Case Vuosaaren Kotihoito</b>	
<b>Abstract:</b> <p>The aim of this study was is to investigate the strategic change process of Vuosaaren kotihoito, a Finnish public home care organisation located in Helsinki. The research question of this study is: What were the key issues that contributed to the process of strategic change at Vuosaaren kotihoito?</p> <p>This study is a qualitative study that is built on the strategy as practice perspective. The data was collected through semi-structured interviews and complemented with triangulation of secondary data of two PowerPoint presentations and an additional interview.</p> <p>The key findings of this study emphasise the importance of strategic agency, open communication, shared knowledge creation and their implications on the innovation process. The influence of an open and trusting organisational culture and strategic agency became apparent throughout the study as the main contributors to innovation.</p> <p>This case is interesting, because of its context within the rapidly changing Finnish health care sector. Although public organisations have been traditionally perceived as bureaucratic, Vuosaaren kotihoito was an example of a flat organisation, in which the management practice was inclusive, and everyone had the opportunity to influence the new service model.</p> <p>The benefits of enabled strategic agency were told to consist of the improved level of commitment and engagement, alongside with high satisfaction with the project results. The findings suggest that the creation of the new service model was effective, because the employees were awarded with full strategic agency over the process, and hence they could capitalise on the support of loyal and open atmosphere within the team that allowed expression of critical thoughts.</p> <p>Furthermore, the study focuses on the cyclical model of learning and innovation that emphasises the common characteristics of openness and trust as ideal grounds for strategizing when strategic agency has been enabled. Knowledge sharing and accumulation occur through information flow when people interact with each other. At the case organisation, even tacit knowledge became explicit, when people started sharing their experiences. Small wins were also appreciated: the change could occur through little steps, and the significance of those could be realised later.</p>	
<b>Keywords: Strategy as Practice, Strategic Agency, Knowledge, Innovation, Public Organisations, Health Care</b>	



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## 1 INTRODUCTION

Cities and municipalities in Finland are on a transition stage, where they need to react to versatile challenges of their operational environment; competing on resources, maintaining vitality, attracting businesses and most skilled people (Sorsa and Jalonen, 2014, pp.107-108) to mention a few. This change requires effective adaptation and response from public organisations. One solution to overcome this challenge has been to implement strategic planning in public organisations, i.e. borrowing the best practices from private organisations to the use of public administration. (Berry and Wechsler, 1995)

On health care sector, aging population, limited financial resources and increasing competition are issues to be resolved. The current political debate on the organisation of social and health services in Finland has made it more difficult for the municipalities to estimate their future status, and therefore decision-making on investments may be challenging. The political trend seems to be towards more competitive service production; hence, the municipalities should prepare themselves to face this competition from private sector. Therefore, there is a growing need for more effective service creation and innovation in order to maintain the costs of health care production at a moderate level.

One solution to this dilemma is to enhance their own efficiency in service production, and to do that, the organisation should consider their own processes and how could those processes possibly be improved. This kind of investigation might not require large capital investments, which would make it more appealing for organisations in changing circumstances. However, the process might produce significant gains in smaller scale resulting in competitive advantage.

The organisational setting of home care changed rapidly during this decade. The research group of Johan Groop, Mikko Ketokivi, Mahesh Gupta and Jan Holmström have had a substantial role in aggregating this change. They conducted a research project in Espoo, which resulted in the development of new working propositions on how to improve productivity of home care organisations. Those propositions have been widely adopted by Finnish home care organisations, and in 2017 approximately one fifth of them had integrated at least some aspects of the propositions into their operations. (Groop et al., 2017, p.19) The rapidness of this change indicates that there has been significant pressure towards the change.

In addition to the propositions of Groop et al. (2017), also other substantial change initiatives have emerged. In Sweden, organisations have experimented a new working routine, which is referred to as 3+3 model and consists of three long days of work combined with three days off from work (Kristensen and Peiponen, 2016). The case organisation presented in this study was taking advantage of both the methods described, while they were innovating their own new service model.

This thesis is divided in five sections. The first part introduces the study, its objectives and limitations. The second part consists of literature review and conceptual framework of the study. The third part describes the methodology and the case investigated. The fourth part of the study is devoted to data analysis, and labelled as “findings”. The fifth section connects the findings with the existing theoretical framework, and finally, the sixth section of the study presents the conclusions learned from this investigation.

### **1.1 The Focus of this Study**

In this study, I investigate Vuosaaren kotihoito, a Finnish home care organisation located in Helsinki, more specifically, the first district of it, where they have been able to successfully implement strategic change by involving their employees in their strategy process (KunTeko, n.d.). As a result of their work, a new working routine has been established, and the employees involved have been satisfied. This process serves as a good example of successful innovation, as it improved service efficiency through reorganisation of tasks and allowed the employees to perform their work more diligently, which fostered both employee and customer satisfaction. Moreover, employees were able to recover better, and no additional costs were generated. (ibid.)

Investigation of the process of service model innovation in Vuosaaren kotihoito is at the focus of this thesis. The aim of the study is to understand how did they manage strategic change, and what was the role of employees in that process. The thesis will focus on understanding what was the motivation behind launching the strategy innovation process, how did the process unfold, who were involved in the process and why, and which were the key insights learned from the process.

The research question of this thesis is:

*What were the key issues that contributed to the process of strategic change at Vuosaaren kotihoito?*

This is a relevant topic of research, because organisations need to be able to respond to change in organisational environment faster than ever, especially now when organisational context is rapidly reconstructed by political entities, and consequently even the traditional public organisations must face direct competition from the private sector. Therefore, it is important to learn from successful change projects within public healthcare, and spread that knowledge to all the parties with interest. The aim of this study is similar to the process perspective adopted by Minnesota Innovation Research Program (Garud, Tuertscher, Van de Ven, 2013, pp.774-775), as it attempts to offer observations from one case setting that could serve as a frame of reference for transferring process patterns for various kinds of settings. Hence, this study will be available for organisational and academic use, and do its best to describe the issues contributing to success of the project.

## **1.2 Definitions**

As this study is investigating a process, multiple viewpoints are required. Therefore, I will present a synthesis of different theories contributing to each aspect of the process, and consequently, the list of key definitions is rather long. The major concepts employed in this thesis are the following:

*Strategy as Practice* is a perspective on strategy research (see for example Jarzabkowski, 2004; Whittington, 2006; Paroutis and Pettigrew, 2007) that localises the strategic context to something that people do instead of the traditional view of strategy as something that companies have. The key concepts under strategy as practice perspective employed in this study are practitioners, practices and praxis, that refer to entities and procedures, including behaviour within the organisation. A more thorough explanation of these concepts will be provided during the literature review.

*Strategic change*: This thesis is investigating the process of strategic change, which is observed through strategy as practice perspective. Strategic change in this context refers to a process of change, in which organisational practitioners create change through implementing or adjusting practices and praxis in their work. This change is perceived to be strategic, because it has strategic consequences of reframing and reorganising work, and also because it has implications on strategic positions of the employees and the manager.

*Practitioners* are defined as those who contribute to strategy creation. In the context of this case, there are subcategories of *manager*, who is the team leader of health care

professionals, and can be viewed as a middle manager within the larger organisation. The *employees* refer to those who work within the team, excluding the manager. In this study employees consist of nurses and practical nurses, and clarification on those labels will be provided under the section of methodology.

*Strategic Agency:* This study utilises the definition created by Mantere (2008, p.298). According to that definition, strategic agency is the “*individual’s capacity to have a perceived effect upon the individual’s own work on an issue the individual regards as beneficial to the interests of his or her organization*”

*Knowledge* in this thesis is defined as explicit and implicit body of information possessed by the organisational members and the organisation. Explicit knowledge can be described in words or numbers (Koskinen, Pihlanto and Vanharanta, 2003), whereas implicit information refers to tacit knowledge, that is difficult to articulate (Nonaka, 1994; Floyd and Wooldridge, 2000). The definition of tacit knowledge in this thesis is similar to that of elusive knowledge in the article of Torado, Islam and Mangia (2016) and consists of tacit, aesthetic and embodied knowledge, which gives me freedom to investigate all kinds of knowledge that is difficult to articulate.

*Innovation:* Garud, Tuertscher and Van de Ven (2013, p.774) define innovation as “the invention, development, and implementation of new ideas”. In this definition, invention refers to the emergence of an idea, development means the elaboration of the idea, and implementation describes the widespread acceptance of the innovation (p.775). At the core of this concept is its cyclical nature, that consists of organisational knowledge, communication (in this study in the form of deliverables and discourse) and finally, learning.

### **1.3 Limitations**

This study is a qualitative case study, which itself creates significant limitations. The first of them relates to the nature of qualitative data: it is impossible to evaluate it objectively, as the researcher needs to make sense of the data, and this sense-making process impacts the result of data analysis (Flick, 2009).

Another important factor is that this is an in-depth study that consists of only seven interviews. Due to these facts, this study cannot be generalised: the results of this study have been withdrawn from a setting at Vuosaaren kotihoito, and although the process was successful in their setting, it might not be as successful in other organisations or

other purposes. However, as discussed above, the aim of this study is to serve as a frame of reference for possible processes, not as a definite guideline for any given organisation.

The analysis is based on seven interviews, which is a sample that does not cover everyone involved in the process. Therefore, it may be possible that some important perceptions are omitted. Moreover, this study is a cross-sectional retrospective study, which also has its potential challenges (Snelgrove and Havitz, 2010). A longitudinal approach could have guaranteed a better understanding of the investigated process (Flick, 2009), but it was not possible to conduct because the process had already been concluded when the idea of this investigation arose. As will be discussed later in this study, under the section of methodology, the retrospective analysis had some advantages, such as the potential ability of the interviewee to draw conclusions on the project as a whole, and to be able to distinguish the important attributes from noise that dominates the ad hoc processes (Langley, 1999). The major drawback of retrospective analysis is that time has already passed since the actual process was conducted, which may have impact on people's perceptions and recall of the process (Snelgrove and Havitz, 2010).

However as noted by my supervisor, every interview situation is some kind of a retrospective, because in every case the interviewee must reflect the past actions or their consequences. Moreover, the perceptions of the interviewees are always subjective, as is their interpretation by the researcher, which naturally has implications on the reliability of data. Nonetheless, from the viewpoint of social constructivism, which is the underlying foundation of this study, these consequences are inevitable and to the results are to be judged based on the assumption of socially constructed realities. As Langley (1999) concludes, the choice of method is a matter of taste and convenience: in this case retrospective interview data was the most convenient approach to address the research questions and their reliability have to be evaluated separately. As noted above, the purpose of this study is not to provide any definite guideline, but to elaborate perspectives on a successful process, which by itself has implications to the evaluation of this study.

Cultural settings cannot be excluded when addressing limitations of this study. Vuosaaren kotihoito is an example of an organisation that was ready to experiment and adapt. The organisational culture that they had made it possible to experiment this project, which in some other organisations might not have been possible. A fine example of this is that the employees experimented even ten hour working shifts, which were significantly longer than the eight hour shifts they used to have (Kristensen and

Peiponen, 2016). However, organisations with a less adaptive and experiential culture may not find these practices applicable.

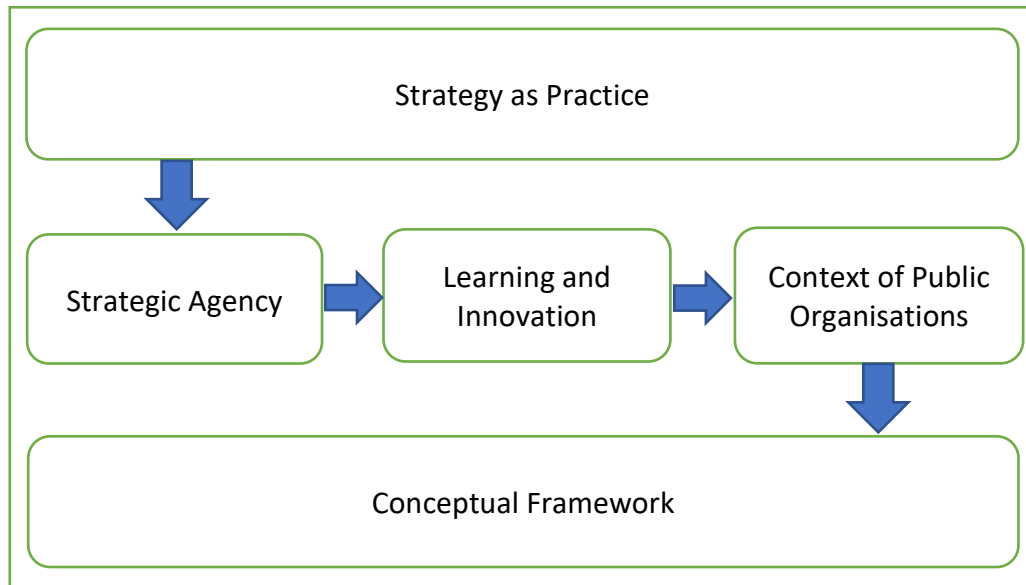
## **2 LITERATURE REVIEW**

This literature review has been constructed to build understanding on the issues relevant to the investigated phenomenon. As this thesis is focusing on a process, and especially interested in uncovering the aspects of employee involvement in it, integration of various perspectives to the phenomenon is necessary. Although the themes of this study might seem versatile, they are all interconnected and relevant for the purposes of this study.

The review begins with introducing the strategy as practice perspective that is the fundamental theoretical base of this study. Next, other central themes such as strategic agency, learning and innovation, and the context of public organisations will be discussed. Each of these three themes contain subcategories which increase understanding on the relevant phenomena around the main subject.

The overarching theme of this chapter is that all the presented concepts form a logical continuum with cyclical nature. Strategy as practice perspective is utilised to describe these phenomena, and different perspectives are discussed both independently and in relation to each other. The main focus will be on the strategic change process, which takes place in the organisational context by the practitioners. Strategic agency, knowledge and discourse all contribute to learning and innovation, and at the later part of this chapter, the context of public organisations will be discussed.

In the end of this chapter, I will present a conceptual framework that I have developed to summarise the theoretical insights learned in this chapter. The conceptual framework also serves as an overview of the interconnectedness of the various themes that are discussed within this literature review, which may help the reader to understand why all the different themes were addressed within this chapter. Figure 1 below will summarise the structure of this chapter.



**Figure 1** The Structure of this Literature Review

## 2.1 Strategy as Practice

Strategy research has gained a relatively new perspective of strategy as practice; strategy is something that people do instead of the old perception of strategy as something that companies have (Johnson, Melin and Whittington, 2003; Jarzabkowski, 2004; Rouleau, 2005; Whittington 2006, Jarzabkowski, Balogun and Seidl, 2007; Paroutis and Pettigrew, 2007; Jarzabkowski and Whittington 2008). The three key concepts in the field of strategy as practice are strategy praxis, practices and practitioners. These are widely used in strategy as practice literature (Whittington, 2006; Jarzabkowski, Balogun and Seidl, 2007; Paroutis and Pettigrew, 2007; Jarzabkowski and Whittington, 2008; Paroutis, Heracleous and Angwin, 2013) to describe the process of strategy creation.

In Whittington's (2006) framework, *practices* refer to shared routines of behaviour in the organisation, *praxis* refers to the actual activity that people do in the organisation, and *practitioners* refer to those who perform strategy work. Practices consist of the cultural matters, such as procedures and routines related to strategy work that exist in the organisation and impact on how people conduct strategy. Praxis constitutes of everything that the practitioners do while they are constructing the strategy. All three categories are intertwined as strategy practitioners are the ones that perform the praxis, and strategy practices serve as a frame for praxis. Strategy practitioners can change the actions they have chosen to take, i.e. the praxis, which in turn will have an effect on



organisational practices. Paroutis, Heracleous and Angwin (2013) illustrate the 3P framework as follows:



**Figure 2 The 3P Framework: Praxis, Practices and Practitioners. Adopted from Paroutis, Heracleous and Angwin (2013, p.11)**

## 2.2 Strategic Agency

One critical challenge to strategy work is engaging people in strategy work. Instead of the traditional view on top managers creating strategy and the employees implementing it, the need to integrate all levels of the organisation into strategy creation is acknowledged. (Floyd and Wooldridge, 2000; Sorsa et al., 2010, p.76; Mintzberg, 2017)

If the employees are not involved in strategy making, the consequence might be poorly constructed strategies, dissatisfaction of the ones left out from strategy development, and constant problems with strategy implementation (Floyd, & Wooldridge 2000; Mintzberg, 2017). The acceptance of change is dependent on whether the employee considers the outcomes of the change process to be fair or not.

Clan control can increase the perception of the fairness of the outcome (Floyd and Wooldridge, 2000, pp.133-134). By *clan control* Floyd and Wooldridge refer to a group-level impact of solidarity by people who are bound together as a group to reach toward a mutual goal and trust each other to be fair and equitable. An important aspect of clan control is that the group perceives a common future ahead and is willing to advance it together. The effect of clan control may be that the employees are more tolerant and accepting towards a new and divergent strategic initiative, which in turn leads to a higher commitment towards the new initiative. (p.134)

Furthermore, strengthening employee engagement in strategy-making increased confidence among the operators, and commitment to advance these strategies. (Berry and Wechsler, 1995; Sorsa and Jalonon, 2014, p.116) Therefore, engaging people throughout the organisation into strategy work can be considered beneficial. Rouleau (2005) emphasises the role of middle managers as strategy practitioners; their expertise and tacit knowledge they possess should be used in strategy creation in order to ensure implementation of strategic change.

Mantere (2008) defines strategic agency as “*individual’s capacity to have a perceived effect upon the individual’s own work on an issue the individual regards as beneficial to the interests of his or her organization*” (p.298). On one hand, constrained agency was typically a result of absence of some enabler or agency. On the other hand, there are four enabling conditions for strategic agency, which were narration, contextualization, resource allocation, and respect. *Narration* refers to an opened-up logic of strategy creation that helps the other party to understand the thought process beyond the strategy. *Contextualisation* relates to well-defined objectives by linking strategy to relevant work contexts. *Resource allocation* refers to adequate support for implementing the top-down objectives given by the management. It also serves as a sign of top management commitment to the objectives. Finally, *respect* acknowledges the value of employees and their abilities for strategy making and empowers them to strategize. (Mantere, 2008)

The advantage of these conditions, i.e. strategic agency, is best utilized when middle managers and top managers have reciprocal view of role expectations. That is, they both support each other and expect the fulfilment of their supposed organisational roles. (Mantere, 2008)

Individuals possess different levels of strategic agency (Floyd and Wooldridge, 2000; Mantere, 2008). Strategic agency is important, because as Mantere concludes: “Middle managers, who claim to have strategic agency are in a beneficial relationship with their organization’s strategy and are able to contribute to it”, and further: “enabled agency in the fulfilment of their strategic roles enables better utilization of middle managers as a crucial strategic resource” (2008, p.312).

Floyd and Wooldridge denote that helping to improve company performance is often in the self-interest of the employee. However, not all the employees in all organisations have strategic agency or even willingness to join the strategic conversation. As a result,

it can be argued that it is the employee motivation to be involved in strategic discourse which distinguish the adaptive and non-adaptive organisations from each other. (2000, p.148) This adaptive capability may be reflected by long-term financial success of the organisation (p.152).

However, as Sorsa and Jalonen (2014) acknowledge, if too many people are involved in strategy making there is a risk of dilution of the strategic goals. Moreover, there is a need for a balance between top-down order and bottom-up diversity that keeps the company operations running, although creates possibilities for renewal and takes advantage of it (Floyd and Wooldridge, p.148). Other challenges related to joint strategy creation include deceleration of strategy work and need for excessive coordination. Therefore, it is important to know who to involve in strategy making and when. Shared strategy creation across organisation should be considered as important means of creating knowledge, but the efficacy of centralised strategy making should not be undervalued. (Sorsa and Jalonen, 2014)

Another difficulty for organisations in change is that they need to balance between flexibility and stability (Weick, 1979; Balogun, 2003; Jarzabkowski, 2004; Rouleau and Balogun, 2011). Flexibility is important in creating new solutions, but stability is required in maintaining operational capability during the change. Middle managers act as change intermediaries by undertaking personal change, keeping the business going during the change, implementing the change, and helping other employees through the transition. (Balogun, 2003) In addition, middle managers also needed to develop their own working roles by not only by doing what was expected from them, but also by engaging in discussion and negotiation with their peers and senior managers. As Balogun expresses: "The detail of change is created bottom-up." (p.81) However, as Jarzabkowski (2004) remarks, recursiveness, i.e. stability, is sometimes beneficial for companies because it reproduces the best practices in an effective manner. Nevertheless, long time recursiveness tends to have negative consequences as it hinders adaptation to changing circumstances (ibid.).

Mantere (2008) also discusses the participatory practices in strategic planning in relation to championing alternatives i.e. finding creative ways to create and perform successful new strategies. Inclusion in the planning process allows middle managers more control over the future. Moreover, top managers should evaluate the ideas and reward the best ones in order to maintain the employee motivation on finding the best possible solution. This championing process is most efficient when the other party feels

legitimised to strategize, and the best ideas are legitimised. Balogun (2003, p.81) supports this claim by stating that in top-down organisations middle managers have limited opportunities to facilitate adaptation and champion, and in addition a limited capacity to synthesize information.

### **2.2.1 Small Wins**

One way of addressing both issues of dilution and balance between flexibility and stability would be to implement Weick's (1984) theory on small wins. The strategy of small wins is defined as "a concrete, complete, implemented outcome of moderate importance" (Weick, 1984, p.43). This theory shifts the focus away from big strategic changes towards small, relatively unimportant changes that might later yield to consequences that are more significant. If the employees were involved in strategy making through this approach, they would focus on tangible issues that are relatively easy for them to handle, but which have an impact on their daily routine. Utilisation of this method could erase the problem indicated by Sorsa et al. (2010) that strategy tools and creation often seem too abstract for people who are not familiar with them.

One major advantage of small wins is that they are easier to achieve than larger wins, and therefore more approachable for the employees. They also preserve gains and require less coordination to execute. Small wins often uncover resources and barriers that have not been noticed before. By undertaking challenges, small wins advance the organisation by changing relatively unimportant things, which later might result in larger wins. This is supported by the earlier work of Weick (1979, pp.10;81), where he notes that immediate activities can have remote consequences. Although small wins often create a pattern, they do not form a logical continuum, but rather move toward the same general direction or away from some deplorable condition (Weick, 1984). Small wins can also be perceived as an implementation of constant strategic renewal that will be discussed later in this study.

## **2.3 Learning and Innovation**

This part of the literature review focuses on the role of information, innovation and learning within organisations. The section is constructed to reflect the cycle of organisational learning: it begins with discussion of knowledge, and especially the role of tacit knowledge within organisations. Next, it introduces the concept of deliverables, the concept that links existing knowledge to information flow that is the key for strategic

discourse. Finally, this section is concluded with discussion on innovation and organisational learning.

### **2.3.1 Knowledge**

Knowledge can be divided into two subcategories. *Explicit knowledge* refers to knowledge that is relatively easy to share and communicate. This type of knowledge is factual, and can be expressed in words or numbers. (Koskinen, Pihlanto and Vanharanta, 2003) The other type of knowledge, *tacit knowledge*, refers to existing, experience-based knowledge that is possessed by individuals and difficult to articulate (Nonaka, 1994; Floyd and Wooldridge, 2000; Koskinen, Pihlanto and Vanharanta, 2003).

Explicit knowledge can be learnt through conversations (Nonaka, 1994), education, and other explicit means, whereas tacit knowledge is often developed through action (Koskinen, Pihlanto and Vanharanta, 2003). Hence, tacit knowledge can be expressed without words (Nonaka, 1994; Torado, Islam and Mangia, 2016). In projects, the situations that are being solved are usually complex, and they require utilisation of both types of knowledge (Koskinen, Pihlanto and Vanharanta, 2003).

Organisational knowledge is accumulated by the prior knowledge of the members of the organisation, information available to them, thinking processes and ideas communicated within the organisation. This knowledge is enacted in collective organisational behaviour. (Nonaka, 1994; Floyd and Wooldridge, 2000, p.72) The previous applies to both explicit and tacit knowledge. Explicit knowledge can be achieved rather easily, whereas acquiring tacit knowledge is more difficult. Consequently, tacit knowledge is an important strategic asset, because it is difficult to imitate by the competitors. The ability of an organisation to benefit from tacit knowledge possessed by its members can therefore be a source of sustainable competitive advantage. (Floyd and Wooldridge, 2000)

In the process of strategic renewal, tacit knowledge often becomes apparent and is integrated into the strategic initiative (Floyd and Wooldridge, 2000, p.104). New tacit knowledge may be integrated into organisational knowledge through the intuitions of individual members (p.113). Nonaka (1994) describes this integration process through a spiral model of organisational knowledge creation. According to Nonaka, four different types patterns of interaction between tacit and explicit knowledge are socialisation, combination, externalisation, and internalisation.

All of these categories describe ways in which existing knowledge may be converted to new knowledge. *Socialisation* is a process, where individuals exchange tacit knowledge through interaction or some shared experience. Typically, this happens in an informal group equivalent to the one in the model of Floyd and Wooldridge (2000), where people interact to articulate their ideas, turning issues into initiatives. Tacit knowledge can also be transferred without words. *Combination* occurs when explicit knowledge is shared through explicit means, such as conversations or emails. The reconfiguring process of this shared information may lead to development of new knowledge. When tacit knowledge becomes explicit, the process is called *externalisation*. This often occurs through dialogue, where the used metaphors may reveal tacit knowledge possessed by the members of discourse community. This knowledge may be reformed to an explicit form through further articulation, idea development, conceptualisation and documentation. *Internalisation* refers to the process where explicit knowledge is transformed into tacit knowledge. It often occurs as a learning process, where explicit information or ideas are experimented, and through a process involving trial, this information becomes internalised. (Nonaka, 1994; pp.18-19) Organisational learning occurs, when all the four knowledge creation patterns exist and form a continuous cycle of development. The interactions between explicit and tacit knowledge tend to increase together with the number of organisational members involved. The more there are people interacting, the more information they tend to create, and this often leads to increased communication and improved information flow between the participants. (Nonaka, 1994)

Tacit and explicit knowledge are complementary assets for an organisation. They evolve over time and interact with each other through people interacting in the organisation. (Nonaka, 1994; Koskinen, Pihlanto and Vanharanta, 2003) Creation of self-organising teams to create a new concept has been considered as a good way of developing organisational knowledge, as the team members have to collaborate and articulate their perspectives and experiences. This setting is often informal and trusting, which allows accumulation of divergent ideas and their continuous sharing, which in turn leads to conceptualisation of tacit knowledge and organisational learning. (Nonaka, 1994)

Koskinen, Pihlanto and Vanharanta (2003) also discuss the influence of trust as a facilitator of knowledge sharing and accumulation. Furthermore, they emphasise that the frequency of interaction creates access to tacit knowledge possessed by other team

members. Strong personal ties, trust, and physically shared situationality (ability to frequently meet team members face to face) promote sharing of tacit knowledge.

Middle managers are often the ones who synthesize tacit knowledge, make it explicit, and create new solutions based on it. In conclusion, knowledge creation begins at an individual level and through interaction among organisational members, it moves to group level, organisational level, and finally sometimes even into an interorganisational level. (Nonaka, 1994)

However, by definition, tacit knowledge is difficult to articulate. Therefore, it may be difficult for the members of the organisation to recognise it in their daily routine, i.e. practices, where it is embedded, and consequently, capturing tacit knowledge through interviews may be challenging (Torado, Islam and Mangia, 2016).

### **2.3.2 Deliverables**

Ford and Ford (2008) introduce the concept of deliverables in strategy making. The term deliverable refers to an idea or thing delivered, communicated or transmitted from Node A to Node B, and generates new actions performed by Node B. This concept links closely to performance, as Ford and Ford indicate: “no deliverable, no performance” (2008, p.379). The productivity of an organization is dependent on how effectively the right deliverables are transmitted to the right respondents on a right time. This focus perceives people more as delivers instead of doers.

Knowledge is not always explicit, as Jarzabkowski (2004) addresses. Structures constrain and enable human action, and it depends on company structure, how successfully deliverables are transmitted from person to person. However, people within the organisation create these structures, and it is possible to restructure them to enhance information flows. (Weick, 1979; Balogun 2003; Jarzabkowski, 2004) Organisational trust facilitates adaptability. When adapting practices to changing environment, trust enables employees to communicate freely and express their deliverables without fear of being punished on a failure in experimentation. This also increases their experience on strategic agency. (Floyd and Wooldridge, 2000; Mantere, 2008)

People have differential access to power, which results in difficulty in imposing their enactments on other people inside and outside their organisation (Weick, 1979; Rouleau and Balogun, 2011). Therefore, the deliverable may not be responded to, and possible gains from it remain low. However, those people who collect information for top

management are on an advantaged position in terms of their ability to get their deliverables through and enacted upon (Weick, 1979; Floyd and Wooldridge, 2000). Deep knowledge on organisational rules and sociocultural codes shared by other members of the organisation is beneficial in raising one's ability to influence strategy (Floyd and Wooldridge, 2000; Rouleau and Balogun, 2011). Moreover, high levels of interpersonal trust and strong informal social ties tend to increase strategic agency and emergent initiatives of individuals (Floyd and Wooldridge, 2000, p.121).

Middle managers are perceived to possess significant knowledge ranging from operating-level information to sometimes even top-management perspectives. This relatively broad perspective allows middle managers to evaluate the feasibility of strategic alternatives and to generate new ideas. The notion of weak ties refers to the formal or informal connections possessed inside or outside the organisation, yet outside the immediate operating environment of an individual. These weak ties are important in idea generation, as they serve individuals with divergent ideas and allow information flow across organisational units, people or organisations. (Floyd and Wooldridge, 2000) The impact of divergent ideas and resulting informational asymmetries will be discussed later in this study.

### ***2.3.3 Information Flow within Organisations***

Organisations can be classified to flat or tall organisations (Weick, 1979). In a flat organisation, communication i.e. deliverables, become less distorted and the deliverable is more likely to shift to its right respondent in a right form. Moreover, flat organisations tend to be more informal, which usually results in a greater number of contacts, which in turn improves performance. These contacts are used directly, which increases productivity, because people communicate with other people performing similar tasks instead of communicating with their superiors, who may not know how to perform the tasks most effectively. When the person communicated to is on a same level of organisation, not a superior to the speaker, questions are more easily addressed, as there is no fear of negative competence evaluation. (ibid.)

Managerial hierarchy can be reduced in situations when individuals possess redundant information (Nonaka, 1994). By redundant information Nonaka refers to additional information that the individual has that is not immediately required to perform tasks. However, the advantage of redundant information is that as knowledge held by people



overlaps, it is easier for them to share meaning and develop strategic ideas. In addition, this shared meaning facilitates sharing of tacit knowledge. (1994)

Floyd and Wooldridge (2000, pp.119-120) state that the belief systems of middle managers are more likely to recognize the strategic potential of an idea than people at other levels of the organisation, as they possess relevant information across different organisational levels and are thus capable of integrating conceptual knowledge of strategy into concrete operating knowledge. Middle managers therefore possess a significant role in synthesizing information (Floyd and Wooldridge, 2000; Mantere, 2008). By actively gathering relevant information, middle managers serve as a feedback channel on whether past work efforts have been successful or not. It depends on top management's responsiveness to that information, how well the deliverables have been utilised. It is important to understand that if feedback was expected, it would be treated with respect in order to maintain strategic agency of the middle managers. (Mantere, 2008) This notion of reciprocal actions is also supported by Weick (1979), who further notes one basic property of reciprocal actions that the deliverables emitted and received can be of any valuable information, yet there is no requirement for a shared goal. This can be perceived as diverse ends, common means approach (Weick, 1979, pp.91-92): the needs of people are different, but those diverse needs (or ends, as Weick, 1979, labels them) can be addressed by engaging in cooperation with the other party, i.e. by utilising common means. Interestingly, Weick (1979) acknowledges that the ends that were diverse at the beginning, tend to assimilate with those of others in the same team, creating common ends, which leads to perception of a shared end. The diverse ends, however, remain, but as Weick further clarifies, they become subordinated to an emerging set of shared ends.

Information flow is related to the perceived resource needs of an initiative. This means that social networks in an organisation are based on the need for certain information or resources possessed by certain individuals (Nonaka, 1994; Floyd and Wooldridge, 2000). In other words, people with relevant deliverables should be involved in strategy development processes. This may also lead to different people being involved in the strategy creation process at different times. The key is to find the right people at right times to deliver their information for the right people at that time. (Floyd and Wooldridge, 2000) However, as previously discussed, deliverables only become such, when the recipient receives them and acknowledges their relevance.

Another important aspect related to information flow is that it can also be informal. Mintzberg (2017) notes the importance of hallway conversations, lunch breaks and the likes as sources of information flow in addition to more formal arenas of communication.

Nonaka (1994, p.23) discusses the role of self-organising teams in strategy creation. He identifies appropriate team sizes for achieving the best possible flow of information based on analysis of successful project teams in Japanese firms, coming into conclusion that the ideal team size would be in between 10 to 30 individuals. These teams usually contain four to five core members having a diverse background. Other team members tend to have the closest links with these key individuals, which highlights their importance in information management. If the team becomes larger than 30 individuals, it usually leads to decrease in interaction between the group members, which may hinder effectivity.

#### **2.3.4 Innovation**

Garud, Tuertscher and Van de Ven (2013, p.774) define innovation as “the invention, development, and implementation of new ideas”. In this definition, invention refers to the emergence of an idea, development means the elaboration of the idea, and implementation describes the widespread acceptance of the innovation (p. 775).

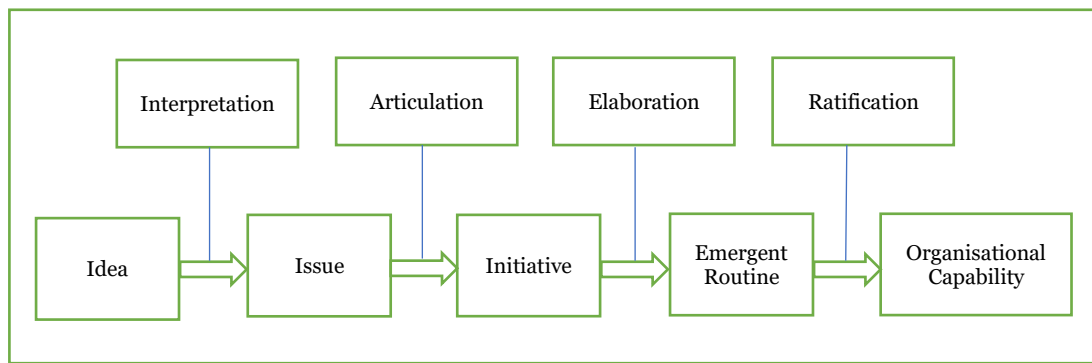
Innovation can occur through recombination of ideas across different knowledge domains, and during this process the organisation is experiencing a process of transformation through cumulative synthesis (Usher, 1954 cited in Garud, Tuertscher and Van de Ven, 2013, p.779). Development of an idea requires time and effort, and it is only after precision, when the true value of the innovation is found (Garud, Tuertscher and Van de Ven, 2013, p.782). Implementation of ideas is not obvious even after an idea has been invented and developed. The ideas are more likely to be implemented, when they become integrated with the old structure. Moreover, innovation processes are not necessarily linear; they may implicate multiple levels simultaneously (p.801). Knowledge tends to institutionalise and therefore reframe structures, which facilitates implementing ideas that comply with the newly defined structure. (pp.787-789)

Organisational learning often occurs through innovation. Innovation is a necessity for any organisation willing to operate in a changing operating environment. It creates organisational knowledge and facilitates adaptation into new circumstances. Moreover, innovation may serve as a source of competitive advantage. (Nonaka, 1994)

According to Nonaka (1994), innovation can be perceived as a process in which the organisation identifies problems and attempts to resolve them by accumulating new knowledge. Innovation can be cyclical, and one innovation may lead to another. Moreover, innovations have a tendency to impact the wider knowledge systems of an organisation, as one innovation also accumulates other related information and knowledge. This cyclical and evolutionary nature of innovation spans to the level of industries and even beyond them, as organisations and different industries develop their environment co-evolutionarily (Garud, Tuertscher and Van de Ven, 2013, p.792).

Floyd and Wooldridge (2000) describe strategic renewal as a complex adaptive process, where order-inducing mechanisms, such as definition of an organisational goal, are more likely to follow rather than precede the emergence of ideas and the generation of strategic alternatives. Strategic renewal is about continuous adaptation and learning aiming at constantly aligning the organisation with its environment. (pp.55-60) Dynamic capabilities, the organisation's ability to renew itself and its capability set, are connected to the capability of an organisation to sustain competitive advantage. (Nonaka, 1994; Floyd and Wooldridge, 2000) Centralised decision making hinders dynamic capabilities (Floyd and Wooldridge, 2000; Garud, Tuertscher and Van de Ven, 2013), and therefore centralised organisations may have difficulties in reacting to the changing operating environment, which often results in stagnation of performance and a radical change after a relatively long period of stability (Floyd and Wooldridge, p.60).

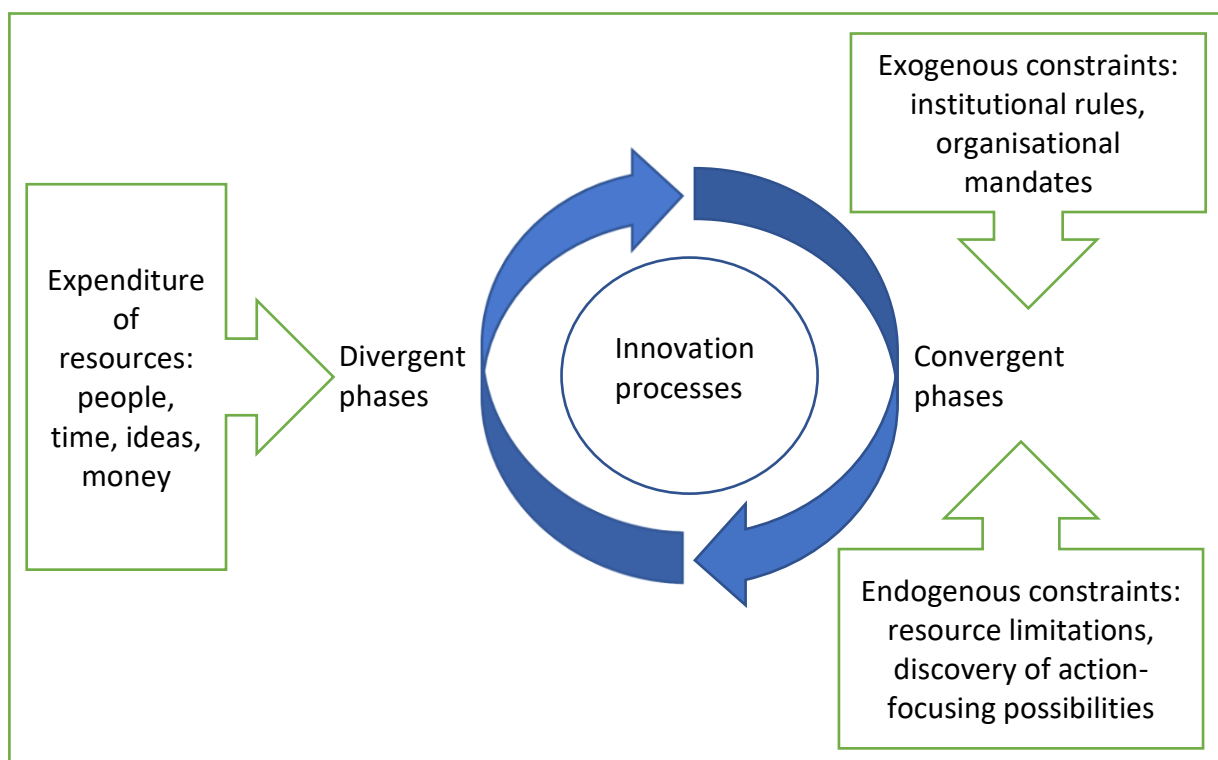
The role of middle managers as strategy practitioners is emphasized by Floyd and Wooldridge (2000), who discuss the centrality of middle management in developing ideas into initiatives. Strategic agency enables middle managers to gather information, synthesize it and experiment new strategies. Successful strategic initiatives tend to improve organisational capabilities and knowledge, which may lead to competitive advantage.



**Figure 3 The Development of Emergent Strategic Initiatives. Adopted from Floyd and Wooldridge (2000, p.118)**

Figure 3 illustrates how ideas are transformed into organisational capabilities. The process begins with an idea that is interpreted to be connected to a strategic issue. The next step is the articulation of the issue to an informal social network, when the tacit or subjective knowledge becomes more explicit and less reliant on the individual who came up with the idea. This step also involves a possibility to lower the organisational hierarchy, which enables strategic agency. The third step is elaboration of the idea, which may consist of pilot projects, trial runs, etc, which leads to new processual knowledge in the form of a new emergent routine. Finally, top management ratification, i.e. acceptance is required in order to the idea's final transformation into an organisational capability. (Floyd and Wooldridge, 2000)

However, Garud, Tuertscher and Van de Ven (2013) argue that innovation processes do not usually have clear and definite steps. Instead, they often consist of repeated cycles of divergent and convergent phases that are driven by expenditure of resources, exogenous and endogenous constraints. By expenditure of resources, they refer to above the ordinary use of people, time, ideas and money, and by exogenous constraints they acknowledge the role of institutional rules and organisational mandates. Finally, endogenous constraints reflect the resource limitations and the discovery of possibilities that focus attention. (pp.775-776) The linkage of these categories is illustrated below on Figure 4:



**Figure 4** Innovation processes. Based on Garud, Tuertscher and Van de Ven (2013, pp.775-776)

Strategic renewal can be perceived as a continuous renewal process which adapts the organisation gradually to its operation environment. As a result, large changes occur only seldom, which in turn reduces strategic risk. (Floyd and Wooldridge, 2000) This renewal requires intense interaction between organisational practitioners, which allows the organisation to benefit on their internal resources and organisational knowledge (Nonaka, 1994; Floyd and Wooldridge, 2000). The combination of skills and knowledge with the assets and technology of the organisation may result in development of organisational routines that foster learning and effective use of resources, which may result in competitive advantage. Often these processes occur in the middle of the

organisation. However, also top management is important, as managers at that level are the ones possessing formal authority in the organisation. (Floyd and Wooldridge, 2000, pp.60-61) Top management approval is required for strategic initiatives to transfer into organisational capabilities, as only after top management ratification, the process of integration can begin. In this process, the initiative becomes part of the organisational capabilities and the organisational systems, routines and values are aligned with the new capability set. (p.126) The likelihood for ratification is impacted by outside circumstances; for instance, if there are indicators of strategic drift and stress that are connected to the existing strategy, it is more likely that top management will ratify an emerging initiative than if those conditions did not exist. (p.131)

Strategic renewal is evolutionary by its nature, and therefore it may be called adaptive renewal. Such renewal is most effective when there is an adequate supply of divergent ideas that are evaluated based on their quality and fit with the organisation's strategic context. In order to maximise the benefits of adaptive renewal, this process should be integrated in organisational routines and structures. (Floyd and Wooldridge, 2000, p.111)

An effective, and risk averse, resource accumulation process for advancing dynamic capabilities, i.e. strategic renewal, requires development of new resources and new combinations of resources, emphasis on organisational learning, and finally an understanding on how these investments are related to the existing strategy. Overcoming these challenges requires evaluation, comparison and prioritising of short and long-term objectives and resource allocation and availability. Moreover, information flow should occur across the organisation, as different tasks and individuals possess different type of knowledge, which might be useful for the organisation. (pp.58-59)

On their framework of the emergence of strategically divergent ideas Floyd and Wooldridge (2000, p.112) elaborate how innovation is fostered by individuals who on one hand have access to relevant strategic information that differentiates from existing organisational knowledge, and on the other hand possess the motivation to connect this divergent information with existing organisational knowledge. The knowledge possessed by individuals has asymmetries, which means that the knowledge distributed within the organisation is not similar to all the individuals. These asymmetries are originated from ties to other entities either in or outside of the organisation that are different from the colleagues within the organisational unit. (pp.114-115) Such ties provide a source of divergent information, which in turn enhances possibilities for innovation. These ties

may be weak at first or strengthen by time, if the resource needs of an emerging initiative so require. (p.119) Nonaka (1994, pp.23-24) and Garud, Tuertscher and Van de Ven (2013) also note the importance of weak ties, i.e. interorganisational communication of distant domains, as a source of visions for future development and organisational learning.

The realisation of innovation requires, however, understanding on the strategic nature of the information possessed, and sufficient motivation to pursue strategic development of the organisation. The latter may require the individual to be concerned over some current strategic aspect, which in turn requires knowledge on the organisation's strategy and ability to logically connect the newly acquired information to the current strategy. In addition, the individual must perceive to have strategic agency to advance their strategic objectives. (p.115) Furthermore, the individuals promoting organisational learning are usually committed to the organisation (Nonaka, 1994, p.17).

On their work, Floyd and Wooldridge (2000, p.113) acknowledge that truly divergent ideas are difficult to obtain because the nature of socially constructed reality and past understanding impacting to the present. Organisational routines tend to emerge, which facilitates daily operations, yet may burden strategic renewal and adaptive behaviour. (Floyd and Wooldridge, 2000, p.113; Garud, Tuertscher and Van de Ven, 2013, pp.795-796) In addition, political concerns and lack of strategic agency within the organisation may impede the enunciation of divergent ideas (Floyd and Wooldridge, 2000, p.116).

## **2.4 Strategic Management in Public Organisations**

This section of the literature review moves focus to the context of public organisations. The first subchapter of this section discusses the shift of management perspectives on public organisations from bureaucratic to more agile. The second subchapter reviews the strategic practices of public organisations in general, and finally, the third subchapter introduces a study on a Finnish home care organisation that was facing similar challenges to the case organisation of this study.

### **2.4.1 Traditional View and Shift to New Public Management**

Traditionally, public sector has been blamed of being inefficient due to extensive bureaucracy and lack of monetary incentives to improve performance (Fottler, 1981; Boyne, 2002). Traditional public organisations have been characterised by low degree of administrative autonomy, fixed budgets, and substantially limited market-like

competition (Hansen and Ferlie, 2016). The pressures of modern economy and changing legislation combined with limited resources have led to requirements of higher efficiency.

As a response to this, management of public organisations has shifted from traditional public management into New Public Management (NPM) (Boyne, 2002; Hansen and Ferlie, 2016). NPM aims at improving performance of the public-sector entities by means that formerly used to be used in private organisations (Berry and Wechsler, 1995; Boyne, 2002; Hansen and Ferlie, 2016). The trend has been toward more autonomous and less bureaucratic entities that are smaller in size and therefore easier to manage. Characteristics of such organisations include well-defined, high volume and narrow tasks. These relatively autonomous entities may rely on performance-based budgets and market-like conditions, which are ideal conditions for implementation of strategic management. (Hansen and Ferlie, 2016)

Mintzberg (2017) provides strong critique towards the approach of NPM in the sector of health care. He argues that health care organisations are too complex to be managed like businesses in general: health care organisations require communication, collaboration and control between all the organisational units, not heroic leaders and their subordinates. However, this view can be challenged by claiming that the awareness of middle management strategic agency has already reached significant recognition (for example, see Mantere 2008), and as a result, any organisation could benefit from the perspectives glorified by Mintzberg (2017), such as openness, low hierarchies and effective problem resolution. Therefore, NPM can also evolve along with the changing management practices of private companies, and needs for practices related to public organisations can be considered as similar to those of private organisations. Hence, the basic idea of NPM is neither obsolete nor inapplicable to health care.

#### ***2.4.2 Strategic Practices in Public Organisations***

Berry and Wechsler (1995) highlight that strategic planning can provide means to share the best practices between different organisational units, allowing connection of separate programs and organisational units and enabling them to reach towards the shared mission of an organisation. Hansen and Ferlie (2016) note that public organisations may pursue development of dynamic capabilities through implementation of a resource based view on strategy development. According to them, Resource Based View (RBV) focuses on value creation and means to use and develop resources in order to create value. The



key insight in this view is that organisations possess significant assets in their resources, and by utilising those resources, achievement of competitive advantage is possible, for example by integrating, building and reconfiguring resources and competences to deal with major and rapid changes in the environment. The ultimate goal of RBV is efficiency, which is a well-suited objective for public organisations. Public organisations may engage in experimental activities where the outcome is often unpredictable, and in doing so, they often use their resources and competences with other organisations and even build partnerships with them.

This RBV can also be extended to the study of Mintzberg (2017), even if he refuses to consider people as “human resources”. Although he argues against considering people as human resources, he still acknowledges that employees are often the greatest asset of any organisation, and they possess critical understanding on what is required to be successful in operations. Therefore, in his view, flat organisational structure should be advanced, and managers should perceive themselves as co-workers to the other employees within the team and engage the whole team into achieving better results. Moreover, interorganisational communication should be enhanced and organisational culture with trust should be cherished.

Public organisations tend to have more formal decision-making procedures, and they may be less flexible and more risk-averse than private companies (Boyne, 2002). As a consequence, they may lack rewards or incentives for successful innovations, and there might be penalties for violation of the established procedures (Fottler, 1981, p.5). Furthermore, external constraints on methods and spheres of operations have been seen to allow little managerial autonomy or innovation in traditional public organisations. In addition, abandonment of an existing practice that is neither effective nor efficient has also been considered to be more difficult for public organisations than for their private counterparts. (Fottler 1981, p.7)

Berry and Wechsler (1995) observed that strategic planning in public organisations was evolutionary in nature, and there was a tendency towards participatory planning among both internal and external stakeholders. The most significant observation in this change was the wider inclusion of lower level employees in strategy creation; strategic planning became a participatory process across all organisational levels, i.e. strategic agency was enabled. This in turn resulted in improved teamwork and internal communication, staff morale improvement, enhancement of organisational culture, and improved service delivery. Strategic planning was also found to lead to agency reorganisation in order to

better respond to the agency priorities that were established through the strategic planning process. In health care, to be successful, significant change often needs to originate from the bottom of the organisation, i.e. from those who practice health care (Mintzberg, 2017).

Feldman (2005, p.959) calls this type of participatory planning *inclusive management*, which consists of empowering employees and the public, working collaboratively across organisational and sectoral boundaries, and finding ways to work together to solve problems and implement solutions. Inclusive management has been considered as a way to create new resources and to be able to operate with limited, often shrinking, budgets. Implementing inclusive management requires divergent thinking and actions. For example, divergent managers tend to perceive change as continuous, and believe in small wins instead of instant fix. Moreover, they believe in finding solutions that increase the pie instead of dividing it. Also, they note the importance of weak ties that connect the organisation to actors outside of it and hence, allow flow of information across organisational boundaries to facilitate working together with them. Feldman (2005) further argues that public organisations need better management, and especially the ability to implement inclusive management. This same notion is supported by Mintzberg (2017).

The strategic objectives of public organisations often differ from the conventional corporate perspectives on profit maximisation. An organisational goal can be fulfilment of mandate and mission of the organisation, often by the means of collaboration and sharing resources. (Fottler, 1981; Hansen and Ferlie, 2016) Public managers have multiple objectives or goals that are imposed upon them by multiple stakeholders. These objectives are often conflicting, and vaguer in nature than the goals in private companies. Therefore, public managers need to be able to prioritize, balance and reconcile these objectives. (Fottler, 1981; Boyne, 2002; Groop et al., 2017) In terms of strategic agency, managers in public organisations tend to have less autonomy and means to pursue their strategic agency, which may result in less flexible strategic outcomes (Fottler, 1981; Boyne, 2002).

Fottler (1981) and Mintzberg (2017) note the difficulty of performance measurement in public organisations. Traditional public organisations tend to measure their performance through inputs, i.e. resources spent in service production. Due to lack of implicit competition, quality features may be undervalued or even ignored in controlling the organisation. (ibid.) As a result of difficulty in measuring results, a predictable and

impersonal feedback mechanism is considered to be more difficult to establish in traditional public organisations (Fottler, 1981, pp.8-9). Mintzberg (2017) further concludes that excessive measurement can bear negative consequences to overall performance of the organisation. First, it can weaken the natural engagement of professionals, and second, measuring the right things is difficult. Third, due to the previous, organisations may end up in measuring the wrong things, which may lead to biased operational practices, such as competition instead of collaboration.

On the contrary, the role of management according to Mintzberg (2017) should be to encourage people to work together and join that work as a colleague, not as a superior. As he argues, health care is a complicated field in which the professionals need multifaceted understanding on phenomena and setting boundaries vertically or horizontally within the organisation does not promote it. People should be given problems which to resolve, and let them autonomously reach the best possible solution by taking advantage of the knowledge and skills of each individual. Sometimes these problems are small, and resolving them leads to bigger initiatives (p.194). The analogy to small wins is apparent here. In this view, strategies are learned, not planned (pp.88; 173), and the hierarchical structures are diminished by bringing people from the “top” down, and people from “down” closer to the top (p.147). As Mintzberg describes: “Not only should management be *everywhere*, but it should also include *everyone*” (2017, p.170). This takes the concept of inclusive management (Feldman, 2005) to the next level by stating that managerial activities should be performed by whoever, an individual or a team, that has the knowledge and perspective to do it most effectively regardless their formal working position within the organisation. Mintzberg calls this *distributive management* (2017, pp.170-171).

However, managers should not be dismissed: they need to engage in work and know what is going on within the organisation and when there is a need for an intervention, they should interfere. Furthermore, their role is also to synthesize information and spread it around the organisation. (Mintzberg, 2017)

### **2.4.3 The Context of Home Care in Finland**

Groop et al. (2017) conducted a study in a very similar context compared to this study. They studied the service model of a Finnish city, Espoo, which is a neighbouring city to Helsinki. In their study, Groop et al. (2017) identified three reasons why the home care organisation was operationally complex in Espoo. The first of those reasons was that the

care was delivered to home instead of institutionalising it. The second reason was related to various customer needs: each customer required different type of care with different levels of time criticality. The third reason was that the demand for care had significant peaks in the morning and in the afternoon whereas other times of the day remained less active, which resulted in inefficient use of the human resources available.

More specifically, Groop et al. (2017, p.12) constructed eight key observations to frame the problems that Espoo Home Care (EHC) was encountering. These were labelled as *Undesirable Effects*, and were the following:

1. The ratio of throughput to total labour capacity is poor.
2. Many visits are needlessly scheduled in the morning.
3. The caregivers experience high levels of stress, during peak times in particular.
4. A high level of caregiver absenteeism frequently creates unanticipated team-level capacity shortages.
5. Expensive external labour is leased to cope with capacity shortages.
6. Idle “bench capacity” in the afternoons leads to inefficiency.
7. Leasing labour further increases bench capacity in the afternoon.
8. Caregivers are “stuck in their teams” and cannot transfer to teams facing caregiver shortages.

As a key insight from Groop et al. study (2017), it can be concluded that home care is a complex operating environment, in which the practical problem must be addressed in its entirety. Institutional environment is setting boundaries to the performance of the operational system. Examples of such boundaries were described as follows:

“... there are many legal and contractual boundary conditions that regulate how much work caregivers can perform and when, which in turn affects productivity. For example, the morning shift is 7 a.m. to 3 p.m. and the evening shift 2 p.m.–10 p.m. The one-hour overlap from 2 p.m. and 3 p.m. is simply unavoidable. In the context of the country's labor law and employment contracts, if an employee starts a morning shift at 7 a.m. and has completed all the assignments by noon, sending the employee home without pay for the remaining two hours of the shift would constitute a breach of contract. The employment contract stipulates that the morning shift ends at 3 p.m., whether there is work to be performed or not. Therefore, the peak in capacity in the early afternoon is simply an artifact (sic) of the institutional environment; it is certainly not economically rational, but it is understandable given the context.” (p.18)

As a result of their analysis, Groop et al. (2017) formulated four propositions for action, which were: 1) Levelling demand by offloading non-time-critical visits to off-peak hours, 2) Prioritising level demand over minimised travel, 3) Activating only as many caregivers locally as needed to ensure that the average percentage of touch time to total available time per route remains within managerially appropriate threshold limits, and 4) Maintaining excess capacity in common resource pool consisting of skill group buffers; Resupplying (and desupplying) local units based on actual demand. (p.14)

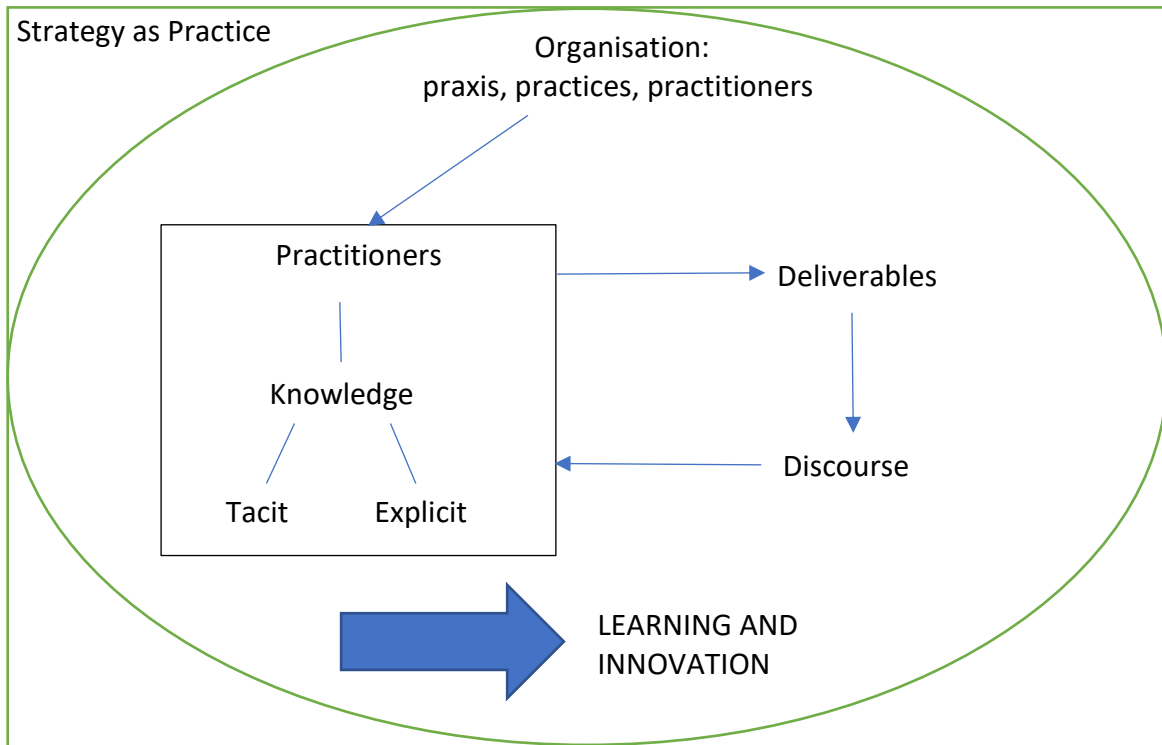
The third proposition refers to *touch time*, which is the fraction of the total working time that the caregivers are spending with the customers, providing actual care. The common aim shared by home care organisations presented in the article was to increase the share of touch time and consequently proportionally decrease the time spent in travel time, administrative duties, statutory breaks and unexpected delays. (Groop et al., 2017, p.11)

The propositions aim at addressing the resource allocation dilemma presented by the eight undesirable effects discussed earlier. The first objective is to distribute caretakers more evenly throughout the day by rescheduling the day, i.e. determining the time critical visits and prioritising them over time-saving at travelling. The second objective of the propositions is to maximise the productivity of each team by utilising only minimal number of caretakers for units with overcapacity of employees on a given shift, and reallocating those “excess” employees to other teams suffering from shortage of employees.

The model created by Groop et al. (2017) has been widely acknowledged, as the authors have been asked to implement similar solutions to many different home care organisations in Finland. The writers estimate that by the time the article was published, their solutions or some variant of them were applied in at least 20 per cent of Finnish home care systems. This is a significant contribution to a system, and reflects a major change in home care settings.

## **2.5 Conceptual Framework**

As a summary of this literature review, I have developed a conceptual framework that illustrates the interconnectedness of the themes presented in the literature review. The framework has been built on the theory discussed within this review, although it represents my own logical reasoning and structuring about how these theories interact with each other and unfold.



**Figure 5** The Conceptual Framework of this Study

The conceptual framework of this study consists of the main elements discussed in the literature review. Strategy as Practice is the frame of reference, where every organisational action or strategy related issue belongs to. Inside the frames of Strategy as Practice, there is the Organisation. Every organisation has its own organisational culture, which is enacted through the praxis, practices and practitioners of the organisation. The arrow from "Organisation" to "Practitioners" represents strategic agency within the organisation. Who is empowered with strategic agency? Even if this agency is not given, from the viewpoint of strategy as practice perspective, every organisational member has an impact on the organisational culture and its strategy by performing their work, whether the actions involved in that are initially considered strategic or not. Practitioners possess knowledge, which can be divided to tacit and explicit knowledge.

The knowledge of the practitioners may be formed into deliverables. When these deliverables are communicated i.e. delivered, strategic discourse may begin. Strategic discourse, in turn, increases understanding, and therefore expands individual knowledge.

In this study, strategic discourse is viewed as a form of strategic communication that expands to all categories of 3P's (Paroutis, Heracleous and Angwin, 2013): *practitioners* engage in strategic discourse as actors through communicating their deliverables with their colleagues (as a form of *praxis*), and discourse also takes places as embedded in the organisational structures in a form of *practices*, which serve as one formal arena of strategic discourse. However, strategic discourse is not tied to a certain location. Instead, it can occur anywhere within or even outside of the organisation both formally and informally (Mintzberg, 2017).

When these factors are combined, and the level of discourse magnifies, it results in accumulation of knowledge among various organisational members, which in turn leads to the development of organisational knowledge and learning, which may result in innovation. The different shapes of Strategy as Practice, illustrated as a rectangle, and Organisation, presented by an oval, depict the influence of the factors external to the organisation that impact strategic behaviour within the organisation. Although the theory of Small Wins is not explicitly present in this conceptual framework, its implication is that when the learning cycle described in this conceptual framework becomes institutionalised and cherished within the organisation, "small wins" become customary; the change occurs through iterative strategy creation within daily organisational activities.

### **3 METHODOLOGY**

#### **3.1 Research Philosophy**

Research philosophy is the overarching concept related to the development of knowledge and the nature of that knowledge. It implies the assumptions under which the researcher constructs the world. Any research strategies and methods chosen will reflect the underlying philosophy. (Saunders, Lewis and Thornhill, 2007)

This study contributes to the epistemological view of social constructivism. It is an approach that understands the world as socially constructed (Flick, 2009). In this view, reality is perceived as subjective to those who experience it, and all conclusions made of knowledge are equally valid (Prasad, 2005). Therefore, in order to profoundly understand the subject of study, the socially constructed reality of people needs to be examined by exploring their conceptions on the phenomenon under investigation (Saunders, Lewis and Thornhill, 2007). This approach has been adopted into this study, because this research investigates a process in which people were central actors, and hence, their perceptions on the process and phenomena related to it are important. Perceptions themselves are socially constructed, and so are the aspirations of the researcher retrieved from the investigated situation. Therefore, objective reality will never be found in this perspective, and the results of this study rather represent the best understanding of the researcher on the investigated phenomenon.

#### **3.2 Research Strategy**

Qualitative research strategy focuses on analysing issues, events or practices by collecting non-standardised data (Flick, 2009). Using qualitative research strategy is especially beneficial in settings where the information derived is descriptive in nature (Patton, 2015), and the categories of the researcher might not reflect the understandings of local constituencies, or when those categories might not even be appropriate to the given circumstances (Johnson and Onwuegbuzie, 2004). Moreover, strategy work is performed by people in their social settings. Qualitative research can examine how any human phenomenon works and unfolds in given settings, and help to explore what are the underlying constructs within the process (Patton, 2015).

The nature of the research question of this study suggests the use of qualitative methods, because the purpose of this study is to comprehend what happened in a change process in a certain organisation. Utilising qualitative methods allows gathering rich data that



has been defined by the project participants, which helps in acquiring knowledge about relevant issues that might be unforeseeable for the researcher.

This study can also be viewed as a combination of an exploratory study and a descriptive study. Exploratory studies aim at understanding the problem and seeking for new insights, whereas descriptive studies attempt to describe the phenomena as accurately as possible, but do not necessarily draw conclusions on the description (Saunders, Lewis and Thornhill, 2007). This study attempts to do both of these: the aim is to understand what were the key contributing factors in the process of strategic change at Vuosaaren kotihoito. In order to do that, one needs to explore what are the significant issues that impacted the project and its results, but also understand how did the process unfold. In the end of the study, the results will be analysed, and the insights gained from the process will be presented. Even if causal connections cannot be built based on the limited data, the exploratory nature of this study allows gathering insights and presenting them in a way that explains what issues may have contributed to the outcome of the project.

### **3.3 Research Approach**

This study is an abductive study that combines deductive and inductive approaches. According to Saunders, Lewis and Thornhill (2012), in deductive approach, the researcher develops a theory and hypothesis and conducts research to test the hypothesis, whereas in inductive approach the data determines what theories are utilised. The abductive approach combines both of the previous, and seeks to find the best combination of theory and explanations as an ongoing process, which is what I did in this study. Next, I will provide justification for this choice.

In order to make valid interpretations on the strategy process, one needs to access the information of those who were involved in the process. The best way to advance that goal is to approach the data inductively, because it acknowledges the emerging patterns and themes without presuppositions of the important variables and dimensions. (Patton, 2015) However, in the particular case presented in this thesis, there was prior information available about the organisation and the project that they conducted (for instance, Kristensen and Peiponen, 2016; KunTeko, n.d.; SuPer, 2017). Therefore, it was meaningful to familiarise oneself with that material before going to the field. During this process of background research, certain themes emerged as interesting topics of further investigation, and therefore the interview themes were constructed accordingly.

The implementation of the above-mentioned ideas makes this study an abductive study. The preliminary research was combined with insights derived from the interviews. The purpose of conducting preliminary research was to understand the topic in order to be able to focus the study. However, as the data was collected, the role of this deductive background research was diminished, and the interviewees could define inductively what they considered to have been relevant in the project. The interview guide was not strictly followed, and the questions were constructed in a way that allowed a broad exploration of topics instead of focusing on narrow details. Finally, the interview data defined which theories should be included in the theoretical framework of this study.

The abductive approach was implemented throughout the study. In addition to the data collection process, also the analysis was data-driven, even though the researcher was influenced by her preliminary categories and theories that were presented on the topic. Even the research question was modified several times during the process. At the time when I went to conduct the interviews, I had six preliminary research questions that examined the investigated phenomenon from different perspectives, and only after the data collection and analysis, one single research question was determined. Finally, during the process of finalising this study, the eventual research question was formulated.

For the purpose of this study, the abductive approach was the most applicable, because it did not constrain the researcher into fixed categories a deductive study would have created, but it also allowed intellectual reevaluation of the research themes during and after the interviews. However, as a result of the deductive features within the abductive approach, the researcher was able to access the themes with understanding on the given phenomena, as some background information had been collected. Nevertheless, the presence of inductive data had also an influence on what was being investigated.

### **3.4 Research Design: A Case Study**

This study is organised in the form of a case study. The most obvious reason for this is that the process investigated took place in the organisation of Vuosaaren kotihoito. Therefore, understanding the process, its roots, and its implications requires studying that specific organisation.

### **3.4.1 Introduction to the Case Organisation**

Vuosaaren kotihoito is a unit of home care that belongs under the umbrella of the social and health care services of the city of Helsinki. Vuosaaren kotihoito is divided into four different districts: Vuosaari 1, Vuosaari 2, Vuosaari 3, and Vuosaari 4. This study is focusing on Vuosaari 1, which is responsible for providing home care for the area of Middle-Vuosaari. (Helsinki, 2015) The area is relatively small, which indicates that the time spent for travelling from customer to another is relatively small.

The investigated organisation, Vuosaari 1, had 21 caretakers at the beginning of the project, 19 of whom decided to participate the experimentation of the new working hours. In addition, one apprenticeship contractor participated in the project. Two caretakers chose not to participate in the project from the beginning, because they perceived that the new working hours did not fit their family needs. Also, the team manager chose to use the conventional working hours. (Kristensen and Peiponen, 2016, p.20) The reason for this identified in the interview of the manager was that she was not conducting the field work. The overall participation rate to the experiment among the caretakers (nurses and practical nurses excluding the manager) was hence 90%, which can be considered high.

### **3.4.2 Introduction to Project Voima**

This study investigates a strategy creation process of Vuosaaren kotihoito (Vuosaari 1). Project Voima was developed by the social services and health care sector of Helsinki, and its aim was to improve the well-being of the employees on the nursing sector, and to prepare for growing need for health service provision in circumstances which might not allow increasing resources. Furthermore, they investigated whether quality and quantity of service provision were contradictory claims to each other, and discussed the possibilities to innovate a new service provision model that could possibly eliminate these challenges. Two organisations at Helsinki participated in Project Voima. Those were a unit of institutional round-the-clock care of Koskela that begun the project at fall 2014, and the home care unit of Vuosaaren kotihoito that begun the project at spring 2015. (Kristensen and Peiponen, 2016)

At Vuosaari, it was clear from the beginning of the project that both customer service and working shifts had to be reorganised. The whole work community was involved in the creation of the new service model. The new work shift planning approach was

experimented during the project 9.2.2015-8.2.2016, and the new operational structure has been implemented since. (KunTeko, n.d.; Kristensen and Peiponen, 2016)

The project required extensive strategic discourse as the model had to be built from the beginning. Everyone in the local organisation was involved in the process, and the responsibilities were divided according to the expertise of each team member. The follow-up part of the project contained interviews and job satisfaction surveys. Additional information collected during the project included records of absenteeism, expenses on substitute workers, evening and weekend shifts and touch time. The work was conducted within the organisation and no additional expenses were accumulated. (Kristensen and Peiponen, 2016)

As the outcome of the project, the employees had been able to balance their working and personal life better, and even if the amount of work had been increasing, the experience of control over work had also increased. The resources had been more effectively located and used, and the service quality had also been perceived to improve. (Kristensen and Peiponen, 2016)

### **3.4.3 Data Collection**

Case study design is a type of an empirical investigation of a particular contemporary phenomenon, which is suitable for gaining a rich understanding of the research context and the processes being enacted. Interviews are one typical way of collecting data in case studies, but also other methods can be utilised. (Saunders, Lewis and Thornhill, 2007, p.139) In this study, I utilised interviews as the primary data source, and document material provided by the organisation as secondary data. In addition, after having conducted the preliminary data analysis, I discovered the need for an additional interview, which was conducted on phone in the end of the research process. This interview was also a source of primary data, as I personally collected the data.

In conducting this research, I followed the principles of responsible conduct of research (Finnish Advisory Board on Research Integrity, 2012), and declared that to every research participant by handling them an information letter (available on the Appendices of this study) prior to the interview, and discussing the content of that letter with them.

#### **3.4.3.1 Primary Data**

The primary data for this study was collected through thematic interviews with an interview guide approach (Patton, 2015, p. 438), in which the interview themes are

specified in advance, but the questions, their sequence and wording might be changed during the interview process. This approach can also be interpreted as loosely semi-structured, and it was applicable to this case because it allowed a narrative expression for the interviewees, adaptation to the interview situation and the closure of possible information gaps. From a social constructivist perspective, the application of this method also leads to information expressed in the own terms of the respondents and clarification of the questions and answers to improve understanding between the researcher and the interviewees. The objective of data collection was to collect rich data which would allow an in-depth analysis of the process and the experiences of the people involved in it. This approach had important implications to credibility of research, because it allowed me to ask probing questions of matters which remained unclear or were very different from what I had anticipated. A clear example of this emerged during the phone interview with the manager. Prior to the phone call I felt uncertain about certain issues in the data retrieved from the initial interviews. I wanted to address that uncertainty by conducting another interview with the manager. However, during the interview it became apparent that I had misunderstood the role of Mr. Groop, which made all the interview guide questions related to his role mismatching. However, I was able to overcome this problem by asking other questions that clarified his role, and as a consequence, my understanding on the issue was proliferated.

The strategy creation process was investigated retrospectively as the project had already been terminated. On one hand, this approach allowed studying the entire process and its successes, as well as potential failures. As time had already passed since the official endpoint of the project, the project participants had had time to reflect on the project and its consequences, which may have helped them to evaluate the project as a whole. According to Langley (1999), retrospective data is sparse and synthetic, which implies that significant issues stand out and the role of noise within the data is diminished. In addition, she also acknowledges that the choice of approach is a result of multiple considerations; taste, research questions and data available are important contributors to the choice of research approach, and each of the approaches has their own advantages. In the case of this study, the aim was to investigate the process of service model innovation at Vuosaaren kotihoito. As discussed above, the project had already terminated, which naturally made all the interview data available retrospective. This was not in conflict with the research questions or my taste of an interesting study.

On the other hand, retrospective studies also have many potential drawbacks. Snelgrove and Havitz (2010) conducted a review in which they highlighted both the positive and negative aspects of retrospective studies. The negative aspects include concerns related to memory, impression management, attributional bias and consistency bias. Moreover, they provide a review for guidelines to minimising the negative impacts of retrospective methods. The key features of the article are summarised below:

<b>Table 1 The Pros and Cons of Retrospective Studies, developed based on Snelgrove and Havitz (2010)</b>		
<b>Positive features of retrospective studies</b>	<b>Negative features of retrospective studies</b>	<b>Ways to minimise errors resulting from retrospective methods</b>
Ability to conduct study when other type of data is not available	Inaccurate recall of past events, states of mind or mental processes	Stimulation of memories through specific cues, such as photographs
Recall of unusual experiences tends to be more accurate than that of general information	People reconstruct the past to align with their current situation	Allowing free reporting instead of forcing responses
	People want to believe they are consistent actors and seek meaning in the past	Studying salient phenomenon that are subjects to accurate recall
	Some people may not want to report findings reducing the worth of meaning of their previous experience, especially when those experiences are tied to conceptions of self	
	People may be influenced to respond in a particular way due	

	to needs related to achievement and social acceptance	
	Perceived risk to responding truthfully can also influence accuracy	

Snelgrove and Havitz (2010) note that error and bias can never be completely eliminated in retrospective studies, although there are certain things that can be done to reduce concerns related to validity, reliability and trustworthiness. In the case of Vuosaaren kotihoito, a retrospective study was the only possible way to conduct the study. As Project Voima was unique to those who participated in it, the likelihood of accurate recall was enhanced. Moreover, the interviewees may have had better perception on the overall process than they would have had at the time when it took place. However, as time had passed since the project took place, it was likely that the events and actions in the past were not recalled perfectly, and there might have been also another kind of biases involved. I addressed this matter by triangulating data and by conducting secondary data analysis of two PowerPoint presentations that had been created by the manager long before the interviews. As Bowen (2009) acknowledges, document material is stable over time, and can help to reduce biases related to poor recall on events.

The project was broadly labelled as successful, which may have had subconscious implications on the perceptions of the interviewees about the project. They may have reflected their past actions as rational and consistent, and they may have attached positive meaning to the process and themselves as actors in it, which could have further complicated their recall on issues. Moreover, as the project investigated was at the professional context of theirs, and the interviews were conducted at their work place, this may have negatively influenced their feeling of security about sharing negative issues about the project. In addition, the project had already received significant recognition on the news of the national broadcasting company of Finland, YLE, and rewards from a labour union, which may have caused social pressure for positive evaluation on the project. However, the fact that every member of the organisation is at the time while I am writing this are working with Voima hours, suggests that they were genuinely satisfied with the new model, at least in the form of a small win. My observation during

the interviews was that the interviewees appeared as honest, and during the interviews, all of them discussed also some difficulties related to the project implementation.

During the interviews, the researcher was allowing free expression of thoughts, including allowance for not remembering how things resolved. Also, most of the questions were concerning the process and actions taken by each individual, i.e., behaviour, not their subjective perceptions. These practices are consistent with the recommendations of the review of Snelgrove and Havitz (2010).

#### 3.4.3.2 *Triangulation of Data*

Relying on only one source of data may create misleading results. Therefore, it is important to attempt to minimise the risk of errors related to a certain method by utilising multiple methods of data collection and analysis. (Bowen, 2009; Patton, 2015) This is called data triangulation, that can also be defined as: *“The use of two or more independent sources of data or data-collection methods within one study in order to help ensure that the data are telling you what you think they are telling you”* (Saunders, Lewis and Thornhill, 2012, p.683). In this study, the objective was to collect interview data as the primary data source, but during the process of acquiring the research permit, which was required in order to study a public organisation, I already requested for permission to utilise document material that could potentially be provided by the organisation, as my secondary data. During the first interview with the manager, she referred to some presentation material that she had been preparing for the purposes of distributing knowledge about Project Voima, and in that situation it seemed natural to ask her to send me those files. She agreed, and as a result I received two PowerPoint presentations that I used in later part of the analysis to support my findings.

Those files served as document material that was analysed after the initial data analysis of the interviews. According to Bowen (2009, pp.29-30), document analysis is particularly applicable to qualitative case studies, and it can be used as supportive material to verify original findings in data triangulation, or as a stand-alone method. Saunders, Lewis and Thornhill (2012) support utilisation of document material as confirming, verification material. When the document analysis supports the information retrieved from other data sources, it increases the trustworthiness and credibility of the findings (Bowen, 2009). In this study, the role of document material was to confirm the interview findings, and my aim was to investigate whether they were concordant with the secondary data available.



Bowen (2009, p.28) identifies finding, selecting, appraising and synthesising data as key ingredients of document analysis. In this study, all the previous were performed in order to retrieve the maximal benefits from data triangulation. The appropriate data was found and selected for further analysis. In the process of appraisal, the researcher was making sense of the data, and finally, synthesised it in the form of an analysis.

The document data provided was consistent with the themes that arose in the interview, which improved the credibility of findings. The credibility was enhanced in two ways: first, the document data was created during the project (PowerPoint 1), and immediately after it (PowerPoint 2), indicating that the recall of events at that time was supposedly higher than at the time of the interviews. Bowen (2009, p.31) acknowledges this effect: according to him, documents may be the most effective means of data collection when the events can no longer be observed or when the informants have forgotten the details, and furthermore, they are stable and not affected by the research process or passing of time. Second, the overall consistency of the primary and secondary data improved the credibility of the findings.

Additionally, in the end of the whole thesis project, I made a phone call to verify certain facts from the manager. That inquiry consisted on finding out more about the role of Johan Groop, whose name and research had been briefly discussed in two of the previous interviews. Moreover, I needed to address certain issues related to media information (Meripaasi, 2018) about the increase of the number employees in the home care domain of Helsinki. This interview was informal, and followed the same loosely semi-structure approach as the original case interviews. The phone call was recorded, and partially transcribed. The transcribed parts of the interview were the ones in which the manager described the involvement of Mr. Groop, whereas all the yes/no type of responses to my verifying questions were not transcribed. The length of the recorded part of the phone call was 17:46, although the end of discussion was mainly concerning the timeframe of this research project. The results of this inquiry will be reported within the other findings of the data, but separation between the data sources will be made clear. The interview guide that was utilised during the phone call can be found in the appendices of this study.

#### ***3.4.4 Selection of the Interviewees***

My interest in studying Vuosaaren kotihoito and Project Voima was founded when I was listening to the radio and heard the local news of Uusimaa (broader region around Helsinki) at the radio channel of our Finnish national broadcasting company YLE. This

piece of news initiated the interest, and after having thought about the possible research project, I ended up contacting the case organisation, namely the manager who had been presenting the case on the news. In this first discussion with the manager, the ability of the organisation to respond to my research needs was addressed, and a preliminary plan for interviewee selection was created.

The process of selecting interviewees for this study was therefore highly practical, and it acknowledged both the needs of the researcher to acquire a large enough sample to represent different viewpoints, and the need of the organisation to be able to spend their resources on their work with customers. As the outcome of my phone call, the manager promised to provide me with a sample that would be representing of all different groups of employees based on their duties and education, and also attempt to balance the group in a way that would reflect the multiple viewpoints represented within the team. This approach can be perceived as potential to bias, as the manager may have had an interest of smoothening the critique towards the project, and therefore could have chosen interviewees who had a more positive view on the project. However, the data analysis revealed multiple critical perspectives towards the project, which can be perceived as an indicator of a versatile enough sample for the purposes of this study. Moreover, the fact that all the employees currently working on the organisation are currently using, voluntarily, the Voima hours, supports the assumption that the project results have been perceived as beneficial by the employees. At the time of the interviews, there were three interviewees, including the manager, who were not working along Voima working hours although both of those employees had adopted reorganisation of tasks from the project.

Originally the plan was to conduct seven interviews, but at the day of the interviews, one of those was cancelled due to a sick leave of one person who I was supposed to interview. The group that I ended up interviewing consisted of one manager, one registered nurse, one public health nurse, and three practical nurses. The job descriptions of the two nurses were similar to each other. Every interviewee had been working on the organisation for at least five years, and some significantly longer, even for decades. The respondents were from different age groups and both sexes were represented.

In this study, I have considered anonymity issues both within and outside the organisation. The respondents gave me the permission to report their education or occupation, but since the number of the interviewees is relatively small I have come to a conclusion that I will construct three different labels that describe the occupational task of each interviewee instead of their formal education. The manager has been speaking

about the case by her name in multiple channels, which implies that anonymization from her behalf does not need to be that explicit, although her name will not be presented in this study. However, the rest of the employees may not want their names to be identifiable through the media or within the organisation, and therefore their anonymization into the remaining two categories is reasonable.

The categories that I have constructed reflect the working tasks of each interviewee. The categories are: 1) manager, 2) nurses, 3) practical nurses. The tasks of each group are relevant to their respective educational backgrounds, and position within the organisation. *The manager* is considered to be a middle-manager from the viewpoint of the strategy as practice view presented in the literature review. *Nurses* possess higher education than the third group, *practical nurses*, and hence their tasks within the organisation are slightly different. For the sake of anonymity, I will not label these interviewees with numbers or identify how long did the interview of each participant last. This does not, however, prevent describing the lengths of the interviews on a higher level, and drawing overall conclusions upon them.

The initial interviews were conducted at the facilities of Vuosaaren Kotihoito in November 2017. The language of the interviews was Finnish. The longest interview that I conducted lasted for 54:32, whereas the shortest interview lasted for 16:17 only. The lengths of the other interviews were 31:50, 23:46, 18:05, and 42:45. In transcriptions, the interviews ranged from nine pages (two interviews were this long), seven pages (one interview), and five pages (three interviews).

I found it difficult to lengthen the lasting of interviews, because those who responded shortly did not either remember things that well that they would have wanted to discuss them more thoroughly, or did not have a lot to say about the topic (during the interviews, I received several referrals to ask their manager about certain issues or just simple “I don’t know” or “can’t say” responses). Therefore, I was following the guidelines of Snelgrove and Havitz (2010), and let the interviewees describe their own thoughts in a way that they recalled them.

However, it is to be noted that the people who I interviewed were not used to conducting strategy work or talking about it. This may have influenced their own interpretations about their role as strategic actors. All the respondents described what did they do during the project, but there was a difference in the level of analysis that they put into it. This may have related to their educational background or long career within the organisation

that influenced the ability of the interviewees to reflect more on abstract issues such as strategy. For some, the process was more about the manual work of shifting clients and their treatment from one time to another, and joining the meetings and discussion, whereas for some others it was about fulfilling larger missions or describing their own impact as facilitators, delegators, planners, etc. and they spent more time on detailed description of what was the influence on their customer, and what kind of encounters there were. Probably the level of analysis was also a matter of personality: some respondents enjoyed talking more than the others.

As the interviews evolved, I noticed a feature typical for abductive research: I had constructed the questions beforehand to openly address all the relevant themes that I could think of, but during the interviews I recognised that some of the interviewees had already responded to some questions that they were asked later in the interview, and some questions did not even seem to fit the organisation. Moreover, there were some questions that the interviewees found intimidating, namely the question about tacit knowledge. Even if that had been anticipated, it was surprising to discover how difficult it was to grasp information on that topic. Overall, the interviews followed the loosely semi-structured approach that I had chosen, and it seemed to fit relatively well the purpose. During the interviews, some themes emerged more than others, and as I noticed that, I started to ask probing questions to find out more about those phenomena.

Before the interviews, all the interviewees were informed about the objectives of this study, and a permission to record the interviews was asked. All the interviews were recorded, and later these recorded interviews were transcribed in writing, after which they were coded and analysed.

#### **3.4.5 Coding the Data**

Data analysis began with thematic analysis, in which I created categories (Saunders, Lewis and Thornhill, 2012), i.e. first order codes, to be able to analyse the data systematically. I started the process of categorisation by reading through the transcribed interview material, and after that identified central categories, such as “motivation”, “process”, “team spirit”, “feelings”, “knowledge”, “communication”, etc. These categories were constructed abductively (Patton, 2015, pp.560-561), since they were resulting both from the frameworks that were utilised in formulating the interview guide, but also based on the empirical data. “Team spirit” and “feelings” were examples of categories that emerged inductively, whereas “motivation”, “process”, “communication” and

“knowledge” were codes that I had been expecting to emerge based on the research, deductively. The benefit of inclusion of the inductive perspective was realised here: as an outsider to the case organisation, I was not able to directly anticipate the themes that were related to the organisational culture. However, the inductive approach allowed me to implement these findings into my analysis and provided me with novel insights about the process, as was the exploratory purpose of the study. Locke, Feldman and Golden-Biddle (2015) call this type an inductive coding approach, that includes learning from the data and emerging codes, *live coding*. In live coding, coding, codes and data shape each other (p. 373).

After this rather unstructured review of the data, I implemented a more systematic approach in which I went through the data theme by theme comparing the findings of each interview. The purpose of this stage of analysis was to verify the themes of the deductive material that I had collected prior to the study, and also to identify variation within the categories. At this stage I assigned second-order codes to label the variation that was found within the categories defined in the first stage of analysis. Examples of such codes were motivation → “more free time”, “better service to customers”, team spirit → “openness”, “trust”, feelings → “excitement”, “worry”, process → “prior to the project”, “during the project”, “after the project”, communication → “area meetings”, “conversations”, to mention a few. Some of these codes were further elaborated by subcategories or third-order coding, such as prior to the project → “hurry”, during the project → “sense-making”, “adjustment”, and “feelings”. This analysis continued to the stage until there was enough material for the analysis. During this process certain features appeared to be more important than others, as they were brought up by multiple respondents. Saunders, Lewis and Thornhill (2012) confirm this perspective: categories may show the occurrence or non-occurrence of a phenomenon or the strength of opinion (p.558).

The next step was to collect these findings together into this study, and to illustrate them with appropriate data quotes. I decided to employ many quotes to increase the transparency of my findings and hence their credibility. The citations presented in this study have been translated from Finnish to English by the researcher, and the best attempt has been made to capture the original meaning and feeling from the words and expression of the interviewees. However, it is possible that some nuances were lost during this process, and that is why I have added explanations in [ ] brackets to clarify

the meaning of each quote that without them would be difficult to comprehend outside of the interview context.

### **3.4.6 Data Interpretation**

After I had written down the findings, Chapter 4 of this study, in a manner that was described above, I moved on to the interpretation of data. The aim of my analysis was to connect the data with the theoretical foundations of this study. This process was also abductive in nature, because the starting point for it was that I utilised the material that was provided in my literature review, but as a result of my preliminary data analysis, I ended up modifying the content in that review, and erased some issues that did not fit the data as well as added some that seemed significant based on the inductive data retrieved from the interviews.

The interpretation of categories was rather systematic. I went through the theories that I had found appropriate to the purpose of this study, and applied those theories into my data, when they seemed to fit the context. As a result, I gained new insights on my research questions, which led to the conclusions discussed in Chapter 6.

The role of secondary data, the two PowerPoint files, and the phone interview with the manager, was to confirm my initial findings. The method of analysis for the slides was similar to that of the preliminary interview data: I first read through every slide and assigned first-order codes to label different themes that were addressed within the presentation. However, in most themes, I did not proceed to the level of second-order codes, because the data content of the presentations was not as complicated as in the interviews. The exception was made on the category of project implications, in which several subcategories were created. Overall, the data was analysed according to the respective themes, and all the relevant aspects were discussed. The first order codes that emerged from the data were: “background information”, “project management”, “project details”, and “implications of Project Voima”. The second order codes that emerged were “well-being”, “sick leaves”, “costs”, “daily routine”, and “the study of Johan Groop”. This approach was supported by the study of Bowen (2009). From his perspective, document analysis is an iterative process that combines elements of content analysis and thematic analysis (p.32). In this process, the researcher identifies meaningful and relevant information within the data, and creates categories of analysis.

The phone interview with the manager was analysed differently. Since I had formulated the interview guide in a way that would fill in specific gaps within my analysis, I utilised

the responses to fill those gaps and did not go through a similar process than with the other interviews. However, some codes did emerge from this data, because the manager referred to things that I did not expect. For instance, she discussed the magnitude and significance of the project, which gave me a novel insight to expand my data analysis from the initial interview data to those aspects more explicitly. In this inductive process, the data sampling method was similar to that of the other interviews: I recognised a theme “significance”, and followed it up with the categories of “interest in the project”, and a “requirement for knowledge”. The respective third order codes were for example: “around Finland”, “inquiries”, and “need for financial data”.

### **3.5 Limitations**

According to Flick (2009), assessing qualitative research is complicated. The traditional criteria of validity and reliability used in evaluation of quantitative studies do not directly apply into the context of qualitative research. However, there are alternative ways to assess the quality of qualitative research.

Bryman and Bell (2011) suggest that trustworthiness consists of credibility, transferability, dependability and confirmability. *Credibility* refers to the quality of interpretation of the investigated phenomenon by the researcher. It answers to the question how accurately did the researcher interpret the data, and would other interpreters have interpreted the data in a similar manner? Triangulation of data can increase credibility (Bowen, 2009; Flick, 2009). In this study, I triangulated data in two ways: first, I analysed the secondary data, which consisted of the two PowerPoint documents, and second, I conducted the phone interview with the manager. Both of the two are examples of data triangulation in terms of utilising different kind of data and method. In the first case, I received data in a written form, and in the second, there was new, confirming data received through a phone interview. Credibility was increased by implementing triangulation, because I was able to verify whether my findings seemed consistent with the secondary data, and also to ask for clarification for details that I had been unsure about or been completely unaware of. In this process, I was employing a critical eye towards the data as Bowen (2009) suggests, and reflected on the contribution and of the document material that had been distributed to me. As earlier discussed, the role of triangulation was to verify findings, and in that matter, it was serving the study in an appropriate manner, and hence increased credibility of the study.

*Transferability* refers to the ability to apply research findings to other contexts (Bryman and Bell, 2011). As noted already during the introductory chapter, the purpose of this thesis is not to provide directly transferable results, but to increase understanding on the key issues that contributed to the process of strategic change at Vuosaaren kotihoito. As the results later demonstrate, the outcome of Project Voima was a result of a complex process in specific settings, although the research findings support the theory that had been built up through the literature review. The latter suggests that the results of this study may be transferable to other organisations, although the context within which the results may apply, is complex and dependent on organisational culture and practices.

*Dependability* of the study refers to whether the process of research was rational and justified (Flick, 2009). In this study, the process of method selection has been explicitly described. Also, the matters related to sampling and other methodological choices have been justified. I have made my best effort as a researcher to elaborate the process through which I have reached my conclusions, and utilised a large number of quotes to justify my claims, and naturally, all the claims that I have made have been based on transcribed data, not memory-based assumptions. Bryman and Bell (2011) add the notion of keeping the records available for future evaluation. In the case of this study, this is unfortunately impossible due to the strict conditions of the research permit for the public organisation. According to that permit, I need to destroy the data after they have been fully analysed and this thesis has been submitted. However, material that supports my findings is available both in the report of Kristensen and Peiponen (2016) and online on the website of the city of Helsinki.

*Confirmability* according to Bryman and Bell (2011) refers to the willingness and ability of the researcher to act in good faith, and an attempt to not to bring his or her own biases into the research. In this study, this criterium has been addressed by careful data collection and analysis, as described above. However, due to the perspective of social constructivism, I acknowledge that biases are impossible to completely exclude, although their impact can be minimised by implementing transparency.

In any qualitative research, there is the matter of researcher bias (Flick, 2009). In my study, I have been aware of that bias, which is a result from the socially constructed reality that I am investigating. As an attempt to minimise this bias, I have utilised means such as recording and transcribing data, using quotations, making explicit links from data into theories, and finally justified my conclusions and theoretical framework by utilising the data available. The discussion on biases is closely related to that of assessing



credibility of the study, and hence, also triangulation of data has been helpful in decreasing the researcher bias. Additionally, during the research seminars, some fellow students along with my supervisor have been commenting on my work and brought up issues that I have needed to reconsider. All of the previous improve the quality of qualitative research according to Flick (2009).

## 4 FINDINGS

The aim of this thesis is to investigate the process of service model innovation in a public organisation, in this case Vuosaaren kotihoito, in the context of Project Voima. Through the abductive process described in the methodology section, my research question emerged to be:

*What were the key issues that contributed to the process of strategic change at Vuosaaren kotihoito?*

In order to respond to that, the following themes were addressed:

- 1) What was the motivation behind starting a strategy innovation process?
- 2) What was that process like?
- 3) Which practitioners were involved in the process?
- 4) What were the key deliverables of each practitioner?
- 5) What were the key insights learned from the process?
- 6) What could have been improved?

### 4.1 Analysis of the Interview Data

#### 4.1.1 Description of Strategic Innovation Process at Vuosaaren Kotihoito

##### 4.1.1.1 Motivation

The responses about motivation behind starting a strategy innovation process gave insights that were in line with each other. The most important reasons for joining the project according to the interviewees were work overload, and the possibility for gaining more days off from work, more specifically, abandoning the one-day offs, that were in use prior to the project. Another problem addressed was related to previous: one key objective was also to eliminate long working periods; before the project, working periods could span up to six or seven days of work, after which there could have been only one day off. The goals or objectives of the project were perceived more broadly. They contained such things as well-being at work, better service to customers, diminution of sick leaves, and more even distribution of the workload during the day.

##### 4.1.1.2 Beginning of the Project

The process begun as a result of an email inquiry that was sent to the team supervisor, later in this thesis referred to as manager, who then took the matter to the team discussion. According to the manager, the email contained information about Project Voima that had already started in other locations in Finland. Later, she received an email

with information about so-called 3+3 model, three days at work and three days off as a steady working routine, that had been utilised in Sweden. In addition, the email stated that this model would potentially be something that could be used also in Finland in planning the work shifts. After having received the emails, the manager took the issue to a team meeting and introduced the idea. The idea received high enthusiasm from the employees, and after discussion, the team decided to explore the opportunity. The manager described the situation as follows:

“In the beginning it was so that approximately one third [of the employees] were super excited. The other third warmed up to join along pretty much instantly. The last third came along probably a bit because they [thought that they] should come because the others came, like: what if this is a good thing? So quite typically as how changes occur.”

This observation was supported by the other interviewees. They all named the excitement that overlapped the group at first, but also brought in some critical perspectives to the project:

“I feel that people were, especially in the beginning, very excited about the days off. Naturally there was a bit such that those who were not working the longer hours back then when they still worked here, circulated a bit of their own [discourse]... that this [project] is not a good thing and such. But those practical nurses do not work here anymore.” (Nurse)

This comment alone might leave an impression that those who were not excited about the project would have been rejected from the team, but the interviews claim the opposite:

“Since the beginning it was that those who do not want [to join the project], can stay [outside of it], and no one will be blamed or pointed at.” (Practical nurse)

“... At that point [at the beginning phase of change] you need to focus on listening to also those people who do not join [the project]. And that it is being gone through many, many times that everyone’s choice will be respected. ... The objectives need to be the same for everyone. No matter how you perform your work and at what type of working hours [you have], you have the same objectives.” (Manager)

One interviewee concluded that everyone participated in the process of launching the project:

“Well, maybe the manager introduced the idea, but after that everything was taken care of by team work. If we wouldn’t have wanted, it wouldn’t have come. Let’s put it that way.” (Practical nurse)

The interviews form a cohesive picture about the beginning stage of the process. The preliminary idea came from the emails received by the manager, and the manager brought the initiative into the team for discussion. The result of these discussions was that they wanted to find out more about the project, and started developing arguments to challenge and support it. After a while, the team decided to launch the project, which was the start for the process of service model development. According to the manager, it

was clear from the beginning that they needed to redesign the entire service model, not just modify the working hours.

Traditionally, the work was heavily concentrated into the mornings, and the afternoons did not contain as excessive workloads. Therefore, the aim of the team was to find out which visits at the customer were necessary to perform during the mornings, and which of them could be passed on to the afternoons. The need to do that was clear, because as a consequence of the new working hours, there were more people working in the afternoon, as people from morning shifts were still working when people came for their evening shifts. They needed to find out how to make daily schedule more evenly distributed so that they would have time to meet every customer on time, and also to have a lunch break, which they did not tend to have before the project started, because of the excessive workload.

#### *4.1.1.3 Organisation of the Project*

The team took the challenge and started to reorganise their customer visits. The first step for that was that two large sheets were put on the wall, to present a timetable. According to the manager, the timetable had days from Monday to Sunday, and the hours 8-10, 10-12, 12-14, 14-16, and so forth. First the team put on the sheets their visits at the time, and by doing that they evidently saw how concentrated their routine was. Hours 8-10 and 10-12 were tight, whereas the afternoon was relatively loose until six p.m., when the evening rush started. The manager noted that the utilisation of the sheets was beneficial, as there was some disbelief within the team that it may not have been probable to fill the afternoons and weekends in a way that would allow loosening the morning schedule. The implication of the new working hours was that there would be less people working in the morning, but more in the afternoon, which was incompatible with the old working routine, and caused doubt within some of the employees. The sheet was helpful in the process of sense-making, because it was a concrete way of seeing how the tasks performed earlier in the morning could actually be moved into the afternoon. As the manager expressed it:

“We all saw it. Every team member saw it that that’s how they [the different customer visits and tasks performed there] were moved, and this [rescheduling of routine] is possible. That was probably a good thing about it. That the most sceptical people could see that it was possible.”

Hence, the employees went through all their customers and removed visits from the morning into the afternoon by using post-its or printouts, with a customer’s name and the tasks related to each visit on them. The big sheets were utilised here, and after each

employee had gone through their own customers, there was a team meeting in which all the different choices were compared and discussed together. The work planner was moving the preliminary plan from the sheet to excel in order to quantify the exact time spent each day for each task, which helped in adjusting the schedule. The intention was to produce a flat schedule for the entire team in a way that would guarantee that everyone would not have fully booked the same afternoon, and that all the tasks would be evenly distributed around the week. All the changes needed to be discussed with the customers, and sometimes twice, if the group level distribution had to be adjusted. As a nurse concluded:

“I guess that each one of us took care of our own [customers], but then we also looked as a team that they all went fine.”

Alongside with the process of planning customer visits, the new work shifts had to be planned. This was made by the manager. The task was difficult, and there were many open questions which no one had an answer to, and therefore they had to be discussed in the team meetings. Some examples of these open questions included whether there needed to be “back-up personnel” (people who would be on call during the weekends in case if they were needed at work), what type of working hours would substitute workers follow, how would the annual holidays be distributed, etc.

All the interviewees referred to constant team meetings especially in the beginning phase of the project. According to the manager, and supported by the other interviewees, area meetings were held once a week in the beginning, and later once in every two weeks. Nowadays such meetings are held every second week by maximum, and sometimes even once a month. Area meetings involve the whole team including the manager. In addition to the area meetings, team meetings are held weekly. Those meetings consist of same people, yet excluding the manager. The manager pointed out that the difference of those meetings is that the discourse in area meetings is related to the team practices, whereas the team meetings focus more on the customer related issues, i.e. the daily routine. At the beginning the importance of the area meetings was highlighted, because the team needed to understand the new system and there were many questions that remained unanswered. As the manager denoted:

“At first we held area meetings a lot. Just because there were many issues to which no one had the answers. No one else outside the organisation had them either, and we needed to figure them out by ourselves.”

The intensity of discourse was high at the early stage of the project. All the interviewees reflected on it. In addition to the meetings where decisions were made, there was an

ongoing informal discourse at the hallways of the premises, and wherever the employees met each other. The intensity of discourse was a necessity at first, but in order to stay on track about the process, the area meetings were needed. As there were such many hallway discussions, there was need for structure:

“... And in the beginning, there was constant interaction there between ourselves. The nurses were talking and planning among themselves. The nurses were talking with the practical nurses responsible for each customer. I went and wherever I put my nose, we talked about Voima. That is why I kept it so strictly that we would have more of those area meetings, that it would be on the table however, and not there [at the hallways], when I felt that I got stuck all the time with someone to talk about those things. That they [the project related issues and decisions] would be nonetheless aligned in area meetings where they were written down in a memo. When there was so much to think about, we were thinking the things over at the hallways and team rooms and in every place. But that the alignments were made in those area meetings.” (Manager)

However, the new working hours over time had a negative impact on the informal conversation within the employees. As a nurse commented:

“I think that in the beginning it [flow of information] was a challenge. The people did not quite... We saw colleagues more rarely. Perhaps we have learned during the project, that things must be written into a message notebook in a way that they come into everyone’s attention when people are at long time off from work. If you are off for four days, one cannot assume that you would be well on track, when you return.”

Another employee commented on the same issue, although in her opinion, this diminished communication was more likely a result of changing working style at the entire scene of home care:

“Earlier we spent more time at the office, and one could talk more with colleagues, and we saw each other. There were more encounters. It is probably a quite common trend in home care that one should be more on field and less here in the office, but it does not necessarily relate to Voima in my opinion.” (Practical nurse)

#### *4.1.1.4 Adjusting the Model*

During the first half year of the project, people who decided to use the longer working hours were working 10-hour shifts. That was, however, too demanding for the employees, and they started to show symptoms of fatigue in the afternoon. Therefore, the manager suggested that they would shorten the shifts by one hour, and work nine-hour shifts instead. Reducing hours had a consequence that also reduced the perceived free time of the employees: thereafter the employees had to work one more day per six weeks than they used to work with the 10-hour routine. This change provoked mixed feelings, but according to the manager, surprisingly many were supporting the change. Only three people of the entire team of 18 employees at the time working under the Voima hours, would have wanted to continue with the longer days. However, during the first six-week period after the change, those three came to tell the manager that the

change had been an improvement. The majority of the group was pleased with the change. As a practical nurse indicated:

“... when it was the 10 hours, many of us were, including me, [thinking] that this is not a good thing. But it sort of resolved the whole situation when the days were shortened a little.”

The manager reflected the situation as follows:

“After that no one was questioning anymore, whether this Voima was a good thing or not. But the first half year we all probably wondered, whether this was a good thing. It took time to get used to it. And then the 10-hour day was too much. That was such an important change. After that everybody started to think, whether we are allowed to continue this. It changed in such a way. What is going to happen, when this year is over? Are they going to come to say us that move yourselves back to the ordinary work planning and demolish the whole thing? Then the rest of the time was more about such a worry that what if we are not allowed to continue.”

#### **4.1.2 *Analysing the Project***

##### **4.1.2.1 *Achievement of Goals***

The goals of the project were perceived as clear by the interviewees. Some identified more personal objectives than the others, but everyone was aware of the big improvements that the project could possibly bring into their work. The most frequently recalled goal for the project was the improvement of customer care, which was mentioned by all the interviewees. A related goal to this was the diminution of the sense of hurry during the days. Many interviewees named the increased amount of free time as the key objective. Well-being at work was closely linked to all the previously mentioned factors. Decreasing levels of sick leaves was also discussed by three interviewees. The level of fulfilment of these goals was perceived high by all the interviewees. During the project some objectives raised their significance, for instance, the perceived well-being at work became more important.

Despite all its benefits, Project Voima also had some challenges and even negative consequences. As discussed earlier, the project received high expectations. However, the reality was that the customer base for the unit increased throughout the project. Consequently, the workload increased, and the perceived benefits of the project were not realised in the anticipated forms. One interviewee discussed it followingly:

“... it sort of foundered on that when we cannot, after all, keep a decent break and so. Or what was that wonderful dream that then we would have time and [could] do that in the afternoon and even go out [with the customer]. There is a huge hurry and we have plenty of customers.” (Practical nurse)

The phone interview with the manager in April 2018 confirmed this view of increased overall workload within the team. As the manager described:

“Our workload has increased. It has increased in the home care of Helsinki, it has increased in Finland. It is this requirement of touch time that is in black and white in every place, in every home care organisation already around Finland, that what is expected. It is, however, the expectations have increased. To do that immediate work [touch time] at the customers’. And at the same time all these have been developing and increasing, all these care planning and work planning and the measurements of work with the customers. They are all in an electronic form and that amount has increased. So the expectations are high. But they are not only in this unit, but at home care in general. The expectation for the know-how of the caretaker and for the touch time.”

This citation brings in two important perspectives. First, the overall workload and requirements to it have increased, and second, the need for measuring things has increased. As is apparent in the data, this is a trend that does not only apply to the case organisation but also to the field of home care as a whole.

One challenge at the very beginning of the project was to keep everyone in the team satisfied, including those who did not participate in the experimentation of longer working hours. According to the manager, this problem however resolved itself later, when the situation had become a norm, and the alacrity from the beginning was over. The manager described the problem as follows:

“Probably it was a big challenge that some people did not get involved. And that everyone else is extremely excited about the new things. That those who cannot do it are also respected. It was probably this beginning. Later, when I have had new employees and I say that “do you want to do Voima or regular working hours?”, it is not paid any attention to anymore whether you do Voima or regular hours. In the beginning, where there was such a flow, those people who did not join may have felt inequality, but we talked and talked about it and went through the immediate working hours [*touch time* (Groop et al. 2017), i.e. time percentage spent at customers during the work day, common goal to everyone at home care in Helsinki is 60%]. That experience comes from it nonetheless, when you don’t start to make by yourself something that the others are excited about.”

Other challenges that were identified were more directly related to the changing work structure. The employees discussed the difficulty of adjusting themselves to the new structure, and problems with changing work shift routine when new people came along or someone decided to change their own working hours. The implication of the latter was that work shifts of many employees had to be changed, which decreased the predictability of the future shifts. Overall, however, Voima allowed more predictability than the old structure. Some interviewees also referred to challenges with customers, who were reluctant to change. However, these customers were relatively few, and only two of them complained to the manager about the new arrangement. The phone calls nonetheless resolved the situation rapidly:

“Each one of them quit the phone call very fast. If you start to rationalise to the customer or their family that our customers these days are in so much poorer shape that in the mornings the visits are given to those who require help for getting up from bed, going to toilet and taking medicine. You did not have to justify more. That was then understood.” (Manager)



Most interviewees did not consider the timeline to be a challenge. However, having a date upon which everything had to be completed, especially in the formulation of the new work shifts, was a time constraint for the manager. One other interviewee also noted that the planning was to be conducted during the regular working days, which felt sometimes exhausting. The perception that the rest of the interviewees shared was that they just started the project, and timeline was not an issue.

#### *4.1.2.2 The Role of Knowledge*

The role of knowledge during the process was practical. There was only a little information available when the team started the experimentation. Although the project had already started in some other locations, the preliminary results in different types of organisations were not directly applicable to Vuosaari. Some members of the team visited Koskela, where there was a unit of institutional care that took part in Project Voima. That unit was, however, very different from Vuosaari, and the employee motivation for change was low. (Kristensen and Peiponen, 2016) Therefore the experience at the unit was not comparable to what was to be expected from the experiment in Vuosaari. The visits were made, and the team discussed the findings later in area meetings.

Another source of information were the articles of Johan Groop, a director of Nordic Healthcare Group, and a researcher that has studied improvement of home care services (Groop et al., 2017). The role of Mr. Groop was not very precisely described during the initial interviews, and therefore I conducted the phone interview to clarify his role in the process. In the phone interview it became apparent that Mr. Groop had not been involved in the project personally. Instead, his work was known by the manager, who recalled it in the beginning phase of the project, when the team was still considering about whether they wanted to join the project or not. The team had discussion about how to reorganise their work in a way that would allow effective utilisation of the new working hours, i.e. how to take advantage of the increased working time in the afternoons. As the manager described:

“How shall we prove that all this [new service model] was beneficial for the employer. The team began to produce by itself, without having ever heard about Groop. They began to produce those things that Groop had about time sensitivity, etc. And I had just bumped into that Groop... To something [a study of his] of at that time... He has been publishing a lot. I just got the thought that this sounds a bit similar to his [work]... And then I dug those [articles] up and realised that it had such a similarity [to our work and conclusions] and hence, explored even further about his and NHG's [Nordic Health Care Group's] thoughts about the work planning.”

As described above, the manager had knowledge about Mr. Groop and his research prior to the project, but only recalled his studies after the same problems and results had become apparent within the team discussions. Also, on the phone interview, the manager further elaborated what kind of knowledge creation took place within the team:

“But that they [the team] began to produce by themselves that why do we do such things in the morning that could be moved to the afternoons. We could move those to the afternoon. But in addition to that, they also produced [a thought] that they could add quality features into the afternoons. Such as exercise contracts and to execute different things that we do not usually offer through daily practices, such as visits to hair dresser, etc. And indeed, we had a problem. We wondered about how could we now prove that this [implementation of Project Voima] is beneficial [for the organisation] in the future.”

This can be viewed as a collective effort to create knowledge for a purpose of problem-solving. In this process, the employees questioned the current practices of treating customers whose matters were not time critical in the mornings, and suggested a solution that would remove that practice. In addition, the team came up with an innovative idea of quality improvement of the afternoon care. Finally, they wanted to find proof for legitimation of their efforts.

The manager had familiarised herself with the articles of Groop in her upper level degree from the university of applied sciences. By the time of the project, she had recently graduated, and according to her, was therefore better acquainted with such studies than she would have usually been. In addition, she noted that the practice within the city of Helsinki was that managers and directors within the organisation were emailing interesting articles about the health care sector whenever they found such. As a result of this practice, the manager had also received information about the studies of Mr. Groop by email.

Tacit knowledge was a topic that only a few interviewees recognised. The concept was perceived as intimidating and far-fetched: to them what they were doing was practice, and there was no need to label it as tacit knowledge. One interviewee described the role of knowledge as follows:

“Well, we got information about Voima from our manager, she told a lot and thought with us in case if she did not know and so on. And then we collected [information] from each other a lot too. As Voima was relatively new, there was not much knowledge about it, or where could we even get any information and so. Especially when home care is so different from institutional care. But then [we derived knowledge] from each other. That someone had experienced something as good or bad and then told a little more about it. We went to experiment it maybe and so. But that very openly we talked and thought together.” (Nurse)

However, when the question turned directly into tacit knowledge, the same interviewee perceived tacit knowledge was not being transferred:

“I would not perhaps say that [tacit knowledge was transferred] myself, or I haven’t noticed or anything. So openly we anyhow discuss and talk about things. I wouldn’t say to that anyway [that tacit knowledge would have been shared].”

Some interviewees, however, discussed sharing well-functioning practices within the team as transferring tacit knowledge. The manager, for instance, mentioned development of afternoon activities and customer service. She referred to the role of skilled employees, who took initiative in sharing their own good experiences of well-functioning activities with the customers during the afternoons. This information could be general about different activities that were now possible as a result of the less hectic schedule, but also more detailed, for example about how to motivate certain customers to move etc. Furthermore, one practical nurse discussed how tacit knowledge was also made explicit when the team was discussing the urgency of visits together:

“At first we had enormously of such that: “Have we been really stupid when these [customer visits] have been on the mornings?”

The main observation about tacit knowledge was, nonetheless, that it was a concept that most interviewees could not explicitly discuss, or did not even recognise.

#### *4.1.2.3 The Overall Perception on the Project*

Overall, the project was perceived as successful. None of the interviewees thought that anything should have been done different, and they all were happy with the consequences of the project whether they were working with Voima hours or not. Although there was some criticism towards the increased workload within the home care unit that was investigated, the longer working hours were still perceived to be improving the quality of life, work-life balance, and the work itself.

Every interviewee also thought that it had been interesting and useful to participate into the project, and they also perceived that the time spent for the strategy work was appropriate. Most of the interviewees proactively claimed that this involvement that they were allowed in the form of participation in strategizing, increased their motivation and commitment to the new routine. The most important feature in that manner was probably that the change was not forced: everyone could choose what kind of working hours they would use, and that choice was respected by everyone. The interviewees perceived that possession of the strategic power allowed them to be more creative and effective than anyone else outside of the organisation could have been, because they could discuss freely in their open and trusting environment about matters that concerned their daily routine.

Although the project is officially over, the work continues. The focus has lately been in improving afternoon routines. The interviewees shared a positive attitude towards conducting other strategic manoeuvres in the future, because during Project Voima everything had been working well. In April 2018, 100% of the employees within the team are working with Voima hours, which became apparent at the phone interview with the manager.

#### *4.1.2.4 The Significance of Project Voima at Vuosaari*

“Well, I just fully support Voima. I say that the whole Voima should just be everywhere in home care. Because the fact is that there is the same situation in every home care organisation. That there are plenty of customers. There are many who require morning visits, etc. That this [reorganisation of work] has eased [things] a lot for our customers and for ourselves. That I would just put it [the implications of Project Voima] everywhere.” (Nurse)

The citation above shows how significant consequences Project Voima has had for the team at Vuosaari. In addition, it acknowledges the overall potential of the solution to facilitate home care all over the field of home care.

In the telephone interview, the manager elaborated on the magnificence of change that is currently occurring at home care organisations within Finland. She stated that the interest in Project Voima has been enormous from all around Finland. According to her, during the late fall 2017, 15 home care units from Helsinki have implemented the new model. Right before the phone interview she had received inquiries from Kokkola. In addition, she knew that units from Jyväskylä and Porvoo had also begun a change process. Also, according to the interviews, Vuosaaren kotihoito has been active in sharing knowledge on their experience. The manager had prepared two slideshows about the project and its consequences, because the need for presentations about them was high. Furthermore, two team members had been presenting the project at the event of their labour union. People from other home care units have also been visiting the premises of Vuosaaren kotihoito to learn more about their project.

On the phone, the manager further reflected the impact of outcomes of experimentation of similar models to Voima around Finland. Especially she was looking forward to gaining experience on what will the financial consequences of the new service model be: will the model become legitimised by being cost neutral at minimum?

## **4.2 Analysis of the Secondary Data**

As noted in the methodology part of this study, I received two PowerPoint presentations from the manager after the first interview with her. The content of those presentations

was similar to the matters discussed during the interviews, which increased the credibility of the interview data. In addition, they provided more statistical data to support the findings.

The title of the first presentation was “VOIMA Asiakkaiden aktiivista arkea ja henkilökunnan työhyvinvointia tukeva työvuorosunnittely”, directly translated as: “*VOIMA Work Shift Planning that Supports the Active Ordinary Life of the Customers and the Work Wellbeing of the Staff*”. This presentation consisted of 14 slides, out of which 12 slides were so called content slides that had strategic content. The first slide portrayed the title of the presentation, and the last slide was thanking the audience.

The second presentation was titled as “Voiman hyödyt”, translated as: “*The Benefits of Voima*”. This presentation was slightly shorter and consisted of 10 slides, i.e. eight content slides and one title and one thank you slide respectively. The contents of the two presentations were very similar, which was highlighted by the fact that they even had some identical slides, and in addition, some slides that had been created by combining text of two or even more slides from the other presentation. The similarity of the presentations is why they will be analysed based on themes that occurred in them, instead of analysing the two presentations separately. The themes were derived inductively by reading through the material and assigning a code for each theme. Some slides contained only one code, but some others included several. The themes that emerged from the slides were: background information, project management, project details, and implications of Project Voima. The structure of this analysis will follow the same order as the list above.

#### **4.2.1 Theme 1: Background**

The presentations began with a brief one-slide introduction to the background of the problem that Project Voima was attempting to resolve, and shortly described how Vuosaaren kotihoito joined the project. The contents of the background slides of the two presentations were identical, and discussed the importance and challenge of advancing the employee wellbeing in the situation, where they mainly work irregularly and periodically. Second, they brought into attention the resource scarcity in public sector, and the dilemma of growing need for home care services. The problem was stated as follows:

“Are the productive goals in conflict with the qualitative needs? Is it possible to get rid of the operation centred culture by shaking the old service model?” (PowerPoint 1 and Powerpoint 2)

According to the presentations, Voima began with attempting to develop work shift planning from the basis of the 3+3 model that had been utilised in Sweden. Furthermore, it was clear from the beginning that in home care, the project could not only focus on different work shift planning but also on reorganising customer work. All the previous findings support the interview data, and there was no information that would have contradicted the interview data findings.

#### ***4.2.2 Project Management***

Slides 3, 4, 6, and 8 of the first presentation, and slides 3 and 4 of the second presentation focused on project management aspects of Project Voima. The third slides of each presentation identified the two main paths of planning, which were work shift planning and customer work planning. The content of these slides was consistent with the interview findings: work shift planning was based on ergonomic principles of work shift planning and emphasis was on the ability of employees to plan their free time better, and to recover both within and outside of the work days. Furthermore, the goals of customer work planning were identified as more equal distribution of human resources during the week, emphasis on customer-oriented service, determination of time sensitive customer visits and improvement of the afternoon work routine. All the previous issues were discussed also within the interviews.

The fourth slides of the presentations clarified the duties of the employees during the project, which were related to the practical issues. The duties included determination of time sensitive customer visits, utilisation of the big sheets on the wall to illustrate the service model at the time being, planning the change by people who were assigned responsibilities, however in a way that everyone had the possibility to get involved and to perceive the change. In addition, the tasks included making agreements with the clients and preparing service and care plans prior to the launch of the project. All the previous findings were present in the interview data.

The sixth slide of the first presentation and the fourth slide of the second presentation discussed the role and duties of the manager within the project. These roles and duties were practical, and consisted of investigating the willingness of the employees to join the project and emphasising the voluntariness of it, distributing responsibilities of reorganising the customer work, beginning to plan the base work shift list, and finally, booking an adequate number of area meetings and being present in them. This slide was also consistent with the interview findings, and did not provide additional information

except of the details of planning, which are out of the scope of this study as they determine exact working times, etc.

The eighth slide of the first presentation discussed the guidelines of the project. It emphasised employee equality by following touch time on a weekly basis to assure that the work was being evenly distributed between those who were working with Voima hours and those who chose to work with the regular working hours. The slide also emphasised the openness and importance of preserving the feeling of justice, and respecting the choices of colleagues. The collective nature of the project was also highlighted, and as a representation of that, there was a notion about the team meetings. Finally, the slide was concluded by stating that the new planning guidelines must be constantly revised and that the role of work shift planners and web administrators would be highlighted. The fourth slide of the second presentation similarly discussed the principles of voluntariness, openness, maintenance of feeling about justice, and respect, and also noted the importance of attendance in the area meetings. The content of these slides was also consistent with the interview findings, and no new knowledge was accumulated through them.

#### ***4.2.3 Project Details***

Project details were discussed in slides 4, 6, 7, 9, 10, 11, and 13 of the first presentation, and slides 4, 5, 6, 7, and 9 of the second presentation. The code “project details” refers to additional information that was given in terms of numbers or graphical illustrations about the project and its implications. For example, the principles of planning were stated clearly by assigning accurate working times, and even an example of a work shift list, and graphics about work wellbeing and sick days were presented, and the accurate numbers of customer visits performed were shown. Additionally, the expenses accumulated during the project were contrasted with those of prior to the project.

This information was highly specific in nature, and was therefore out of scope of this study. However, the data provided within the slides support the findings retrieved from the interview data. The analysis of the trends depicted in these “detail slides” will be provided under the following theme on project implications.

However, despite being partially even too descriptive, the project detail slides provided important information about the development of the project. The ninth slide of the first presentation confirmed the dates and numbers of participants to the project, which was information that I had already retrieved from the report of Kristensen and Peiponen

(2016). In addition, the slide briefly described the mid-term interviews of the manager and three project participating employees, and also, the work well-being surveys that were made for all the employees of the team in the beginning and the end of the project. Finally, the slide was concluded by stating that information about sick leaves, substitute workers, evening and weekend remuneration costs and touch time were collected and compared with the information from previous year. More data on sick leaves and costs were provided in the fourth and fifth slide of the same presentation.

The information provided by the presentations had been available to me through the interviews and the work of Kristensen and Peiponen (2016), but verification of it through the secondary data presented, enhanced its credibility. The additional details provided by the presentations were too detailed for the purposes of my study, although they supported the interview findings.

#### **4.2.4 Implications of Project Voima**

The implications of Project Voima were described in slides 10, 11, 12 and 13 of the first presentation, and slides 5, 6, 7 and 8 of the second presentation. There were three subcategories of themes under this theme, which were implications on 1) well-being, 2) sick leaves, 3) costs, 4) daily routine, and 6) the study of Johan Groop. Next, each of these subcategories will be discussed.

##### *4.2.4.1 Well-Being*

Implications on well-being were stated both in a form of a graphical illustration, and in writing. The tenth slide of the first presentation consisted of two graphs similar to those presented in the report of Kristensen and Peiponen (2016, p.38) that supported what had been discussed during the interviews: The respondents had reported high level of work well-being during both times of measurement. The only differences between responses were related to good working atmosphere (prior to the project, this attribute received a rating of 4,5/5, and after 4,1/5, which indicates a slight decrease in the perception of that attribute), the sufficiency of free days to recover from work and rest (3,2/5 prior to the project, 4,1 after the project, indicating an increase in the perception of recovery from work), and work-life balance (prior to the project rating 3,4/5, and after the project rating 4,1/5, indicating a small increase in the perception of work-life balance). Those were the only attributes that had experienced a statistically significant change. The same findings were reported briefly on the fifth slide of the second presentation.



In addition, in the fifth slide of the first presentation, there were descriptions of Kunta 10 study that reflected that the results of the area [Vuosaari 1] compared to other areas were relatively high in 2016, and furthermore that the control over one's work was perceived high despite the work pressure. This result had increased by 16,9% compared to the previous measurement in 2014.

The implication of the previous findings is that no new knowledge was accumulated from the presentations except of the details of the numeric data provided, which is out of the scope of this study. However, the data supports the interview findings on increased well-being at work, and the notion that the level of well-being had been perceived high also prior to the project. The perception of control over work had been increasing, which was also acknowledged in the interview data.

#### *4.2.4.2 Absenteeism*

The eleventh slide of the first presentation and the fifth slide of the second presentation illustrated graphically the number of sick days within the team. Also, a written summary was provided:

“The sick leaves of those who were involved in the work shift experimentation decreased during the experimentation, the frequency of sick leaves, [the number of] short absences decreased.”  
(Presentation 1)

In addition, the slide described in percentages the decreasing trend of sick leaves. The content of this slide provided additional details about the exact numbers of sick leaves, but from the scope of this study, the content was consistent with the interviews and the actual numbers do not receive high significance.

#### *4.2.4.3 Costs*

The costs of Project Voima were presented in the sixth slide of the second presentation. The slide provided two numeric details which were not available from the interviews: the amount of evening, Saturday and Sunday remunerations paid to the employees prior to the project were 84 270€, and during the project 99 954€, which indicates an increase of 15 684€. The interview findings acknowledge this increase and speculate about whether the increase could be compensated by a decrease of sick days.

#### *4.2.4.4 Daily Routine*

Implications on daily routine were presented from the employee and management viewpoints. The twelfth slide of the first presentation and the eighth slide of the second

presentation summarised the observations of the employees. They perceived for instance that mornings were calmer than before, although there was still a rush. As a result, they had acknowledged the need for a pool of substitute workers and launched it on 10/2016. Also, the employees had noted that the breaks were kept more regularly, afternoon visits were mostly rush free and executed better on time than before. Nine-hour work shifts were also commonly perceived as equitable, and there was enough time in the afternoons to conduct office work. However, meetings, training and “office afternoons” had been perceived as difficult to execute. The slide also discussed the even distribution of the times when the customers were given showers, and the lack of long working periods and one-day offs. Finally, the number of work days in six weeks was four more than when using the regular working hours instead of Voima. All the previous information had become apparent also in the interview material.

The thirteenth slide of the first presentation focused on the observations of the manager. Those were more satisfied employees, decreased level of sick leaves, need for the pool of substitute workers, and questions about whether it should be automated and centralised. Furthermore, the slide concluded that the more even distribution of human resources seemed to have been useful: following the touch time was transparent in the whole area of home care and the ratio of touch time was still on a rise. The number of visits had also been increasing gradually, and the specifics were provided within the slide. The manager had also acknowledged that the change required time. As an example of that, there was numeric illustration about how the number of customer visits increased by 50% from the beginning of planning to the year after planning.

The content of these slides was also consistent with the interview findings although they provided more specific information about the numbers.

#### *4.2.4.5 The Study of Johan Groop*

The fifth slide of the first presentation contained a graph of a study of Johan Groop about how to respond to the accumulating demand of home care. A similar illustration can be found in Groop et al. (2017) study on page 18. The underlying idea presented in the graph is that the work is unevenly distributed during the day with peak hours in the morning and in the evening, whereas labour capacity is at its highest from the morning until the afternoon. Moreover, the graph suggests by two black arrows a more even distribution of work. This dilemma was discussed during the interviews, and also the content of the studies of Mr. Groop were summarised during them. Therefore, the additional

contribution of this slide to the knowledge retrieved through the interviews was the graphic illustration itself.

#### ***4.2.5 Concluding Thoughts about the Secondary Data Employed***

As described in the sections above, the secondary data gave support to the interview findings by being consistent with them. The presentations added knowledge about details, but those details were not directly at the scope of this study, which is the reason why they can be perceived to be rather insignificant. As a result, the data analysis, i.e. discussion, presented in the following chapter will be based on the interview data, and the purpose of this secondary data will only be to exist as a proof for credibility of the interview data.

However, one must acknowledge that the fact that there has been an intense demand on presentations about the nature and consequences of Project Voima, may have affected the interview results. This is because the manager has been talking about the same things multiple times, and what she has previously discussed in those presentations may have had an influence on her overall recall of the events.

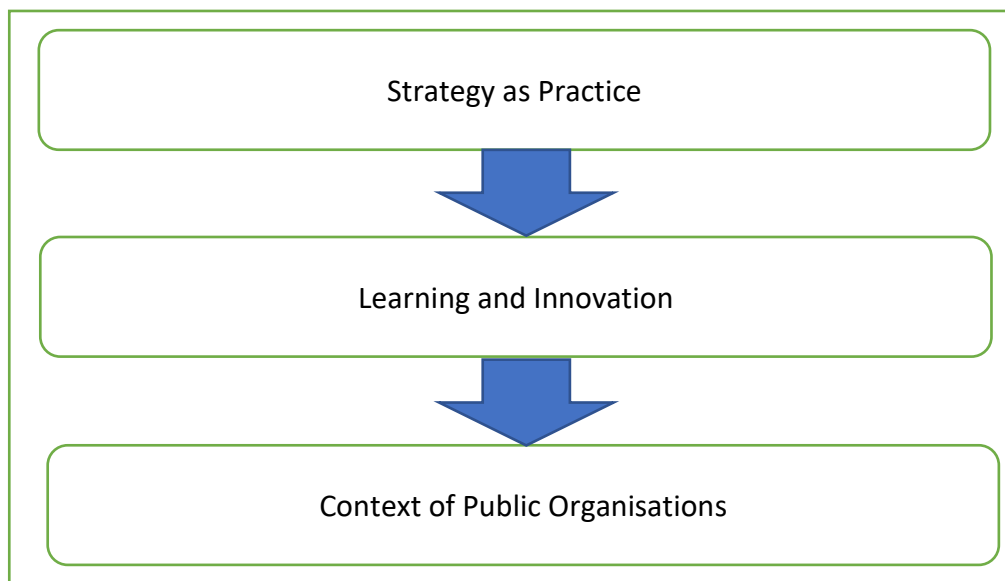
Despite that, I believe that the interviews have been able to at least slightly break the routine of presentations by having a strategy as practice focus, and an interview guide that was loosely followed. Moreover, as there were altogether seven interviews, also other members of the organisation were given a voice. It is likely that those five interviewees (the manager was interviewed twice) had not been presenting at least so often the results and process of Project Voima. The consistency of all the interview findings suggests that the data was relatively accurate: the likelihood that of all the interviewed employees would have been influenced by the shared “presentation narrative” seems low.

## 5 DISCUSSION

The findings of this study support the perspective gained from information retrieved from media and Helsinki city reports, that Project Voima was a successful strategic initiative that improved employee wellbeing and task efficiency. What made it successful was a combination of many things, those of which will be analysed later in this chapter. This chapter is structured by explaining the findings with the help of theory from the literature.

The discussion will begin with the strategy as practice perspective. Each organisational feature, namely practitioners, practices, and praxis will be addressed separately. The theories presented in the literature review will be brought into this conversation, where applicable. However, certain themes require more attention than what they could receive under this structure. Therefore, I have constructed a section on learning and innovation that was already present in the literature review. Finally, at the end of the chapter, there will be discussion on the strategic management of public organisations and how do the empirical findings of this study relate to this context.

Figure 6 below summarises the structure of this chapter. The structure resembles the one in the literature review, although it differentiates from that in two ways. The discussion on strategic agency will be under the section of Strategy as Practice, and the conceptual framework of this study will reappear in the next chapter on conclusions of this study.



**Figure 6** Summary of the Structure of this Chapter

## **5.1 Strategy as Practice Perspective: Implementing the 3P Framework**

### **5.1.1 The Role of Practitioners in the Process of Change**

What made this case unique was how the 3P dynamics evolved. The key *practitioners*, i.e. the actors of strategizing (Paroutis, Heracleous and Angwin, 2013, p.11) of this case were the employees and the manager of Vuosaaren kotihoito, to be more precise, the ones of its 1<sup>st</sup> district. The initiative to strategic change came from Project Voima, but the only interventions from the formal side of the project were three surveys that were conducted before, during and after the process. The team was in charge of defining their own path, and hence they possessed full strategic agency over their work.

The team embraced this strategic agency in the ways that literature suggests: they were excited about being involved and came up with new innovative ideas to plan their daily routine. The level of commitment towards the change was reported high because of the ability to participate and also because of the voluntary nature of the project. This all is consistent with the theory of strategic agency (Mantere, 2008): during the project, every member of the group was invited to strategizing, and after the project, in the interviews conducted for this thesis, they reported high commitment to advancing the new strategy whether they were still working along with the Voima hours or not.

Clan control (Floyd and Wooldridge, 2000, pp.133-134) may have played a significant role during the process, because people involved felt tightly attached to their group and sensed positive feelings towards the group. The implication of clan control according to Floyd and Wooldridge (2000) is that people trust each other in reaching towards the mutual goal, and as a result perceive the outcome of the process to be fair. Moreover, clan control has a tendency to make the group more tolerant towards change and commit to it in a deeper level. Based on the interview data, the existence of clan control seems highly possible. The comment of manager about the beginning stage of the project, and the level of excitement of different employees can be considered as an expression of clan control; in the beginning one third of the employees had been super excited, the other third got excited almost instantly after, and the last third “*came along probably a bit because they [thought that they] should come because the others came, like: what if this is a good thing?*”.

The manager had an important role in the process of change. Although many conversations occurred between the employees and without her presence, she was the one who brought in reports, scientific knowledge, and coordinated the endeavour. That is what Floyd and Wooldridge (2000) and Mantere (2008) would perceive as information synthetisation. Furthermore, the manager also served as a feedback channel on the successfulness of past actions, as Mantere (2008) suggests. At Vuosaari, the most explicit example of this occurred when the manager reflected on the tiredness of employees at the halfway of the experimentation of the new working hours. As a result, she suggested shortening the daily working hours by one, from ten hours to nine, which was accepted by the group and thus implemented.

Half of the employees perceived the manager to have been the one who was advancing the process. However, what is equally important, and possibly even more interesting, is that the other half of the interviewees considered the whole team having been in that role. This highlights the collective nature of the change process.

Sorsa and Jalonen (2014) discuss the possibility of dilution of strategic goals in a situation, where there are too many actors involved in strategy work. In the case of Vuosaaren kotihoito this fear did not actualise, because the team was small enough to be able to have a large enough number of meetings especially in the beginning stage of the project, and to share their information. In fact, the size of the team was falling to the category of an ideal size team of 10 to 30 individuals that was suggested by Nonaka (1994). Moreover, the goals for the project were concrete and directly related to daily working routine, which potentially facilitated their sense-making on the whole process.

The concept of deliverables is relevant under this topic of discussion. At Vuosaari, people were assigned roles that matched their knowledge and expertise, which seems to be the ideal situation for conducting strategy work (Nonaka, 1994; Floyd and Wooldridge, 2000). The matter of trust is also present in this discussion: in an open and trusting environment, people can express their deliverables freely and without fear of negative consequences (Floyd and Wooldridge, 2000). At Vuosaaren kotihoito, trust and openness were key attributes that people described their team with, which implies a good atmosphere for exchanging their views and ideas. Furthermore, the organisational structure was flexible and flat enough for this conversation to be smooth and easy. Even if traditional public organisations are viewed as bureaucratic (Fottler 1981; Boyne 2002), the case organisation had an advanced level of autonomy and strategic agency, although some bureaucratic routines, such as having memos from team meetings, did exist. This

practice was, however, was justified for the sake of convenience: team members who were absent from meetings could easily retrieve the information from those memos.

### **5.1.2 *The Role of Practices in the Process of Change***

The role of *practices* from 3P framework is very interesting in this case. The interviews revealed that the group was facing something entirely new, and had no previous experience of such a process. Therefore, one could argue that strategy practices were very light at the time when the project started. However, there was a routine of area meetings, which created structure for the strategy process. The question is, whether this structure came in through praxis, or was it considered as a practice. Both explanations are equally valid, and the 3P model does not exclude either, as it has the overlapping parts of the diagram illustrating this type of a situations. As I perceive it, practices are the frame through which praxis is conducted.

Nonetheless, the flat communication style within the team can be considered as a practice. This style has important implications on many different issues. First and foremost, it allows free information flow and sharing of ideas within the team. According to Weick (1979), in a flat organisation not only the deliverables are being expressed more likely, but they also tend to shift to their respondents in a right form. Second, this trusting atmosphere is likely to have a positive impact on the strategic agency that people are experiencing (Mantere, 2008). Third, informality of conversations and strong social ties tend to improve productivity, because people share information with their peers and at the same time exchange tacit knowledge on things (Weick 1979). All of these combined can result in better performance, which seems to have been the case at Vuosaaren kotihoito. The team had very strong level of trust and openness, which was combined with a flat team-level organisation, and a high level of strategic agency that was given to them. The results were positive, as all the interviewees stated. The role of strategic agency will be justified later in this chapter under the area of strategy praxis.

### **5.1.3 *The Role of Praxis in the Process of Change***

*Praxis* refers to the strategic activities performed by the practitioners, and in the case it would consist of the area meetings, post-it notes on the sheets, informal conversations performed at the corridors, etc. The trip to Koskela that was mentioned briefly in some interviews, was also an example of praxis, because accessing information available through the visit can be perceived as strategic activities. In addition, this contact can be perceived an example of a weak tie (Floyd and Wooldridge, 2000) that serves individuals

with divergent ideas and facilitates the flow of information across different entities. Another similar notion of a weak tie, that falls into the same category, is the contact that originally initiated the project by email. Weak ties could also be perceived as attributes falling under the category of practitioners, hence possession of them is often individual. In this case, however, the ties identified were organisational and part of praxis, because they were initiated by the organisation, that is, the city of Helsinki.

The praxis during the project can be examined through the framework of Mantere (2008). The four enabling conditions that Mantere defines for strategic agency are narration, contextualisation, resource allocation and respect. In terms of *narration*, the process described through the interviews seemed relatively simple. The manager introduced the initiative and asked the group whether they were interested in it or not. After having discussed the preliminary interest, the group continued into a discussion on what the change would really mean to the organisation and to their routine. The goals and objectives of the group were also discussed, which helped the group to perceive the logic behind the initiative. Moreover, visiting Koskela and studying the work of Johan Groop gave the group a possibility to supplement their narrative on the initiative.

*Contextualisation* is clearly linked to the previously described factors. The objectives of the project were discussed and even partially redefined within the group throughout the process. The links to relevant work context were made obvious, and the strategy work performed was highly concrete.

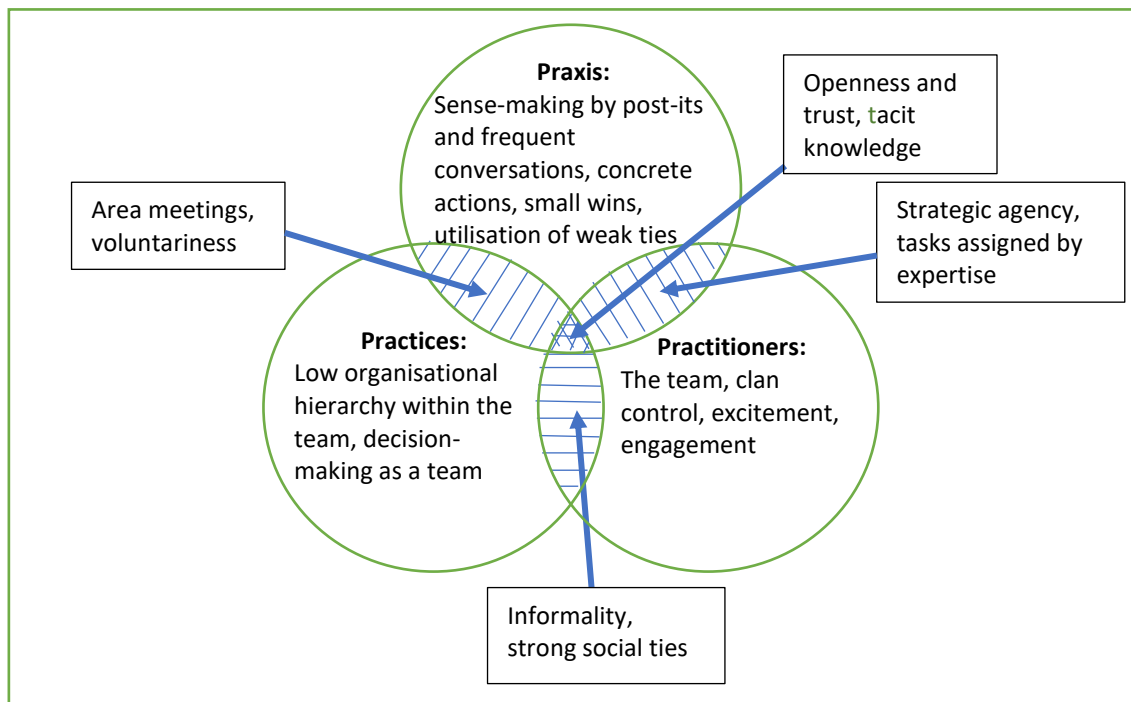
*Resource allocation* was a topic that was discussed to have been slightly confusing. The group was given an autonomy to work and develop their new service model, but during the process there was a little fear about what if someone could later tell them that what they had decided was not acceptable to the higher levels of the organisation. This worry was proven wrong through the *respect* that city management showed to the group efforts at a meeting with the manager. At her interview, the manager described the situation by telling that at some point during the project she had been worried about the expenses, but after having heard what kind of a progress the group had made, her superiors had only supported her and her team to continue performing the good work. The conclusion of this analysis is that strategic agency was enabled by all the four conditions.

#### **5.1.4 Summary of the Strategy as Practice Perspective at Project Voima**

As discussed above, Project Voima was a new strategic endeavour for the whole team. No one within the group had been involved in such a process before, which also led to



definition of new roles and tasks. People were assigned roles which were resulting from their area of expertise: the manager and the work planner were responsible for creating the new working shifts, whereas each practical nurse and nurse were responsible for reconsidering the time sensitiveness of their visits to the customers.

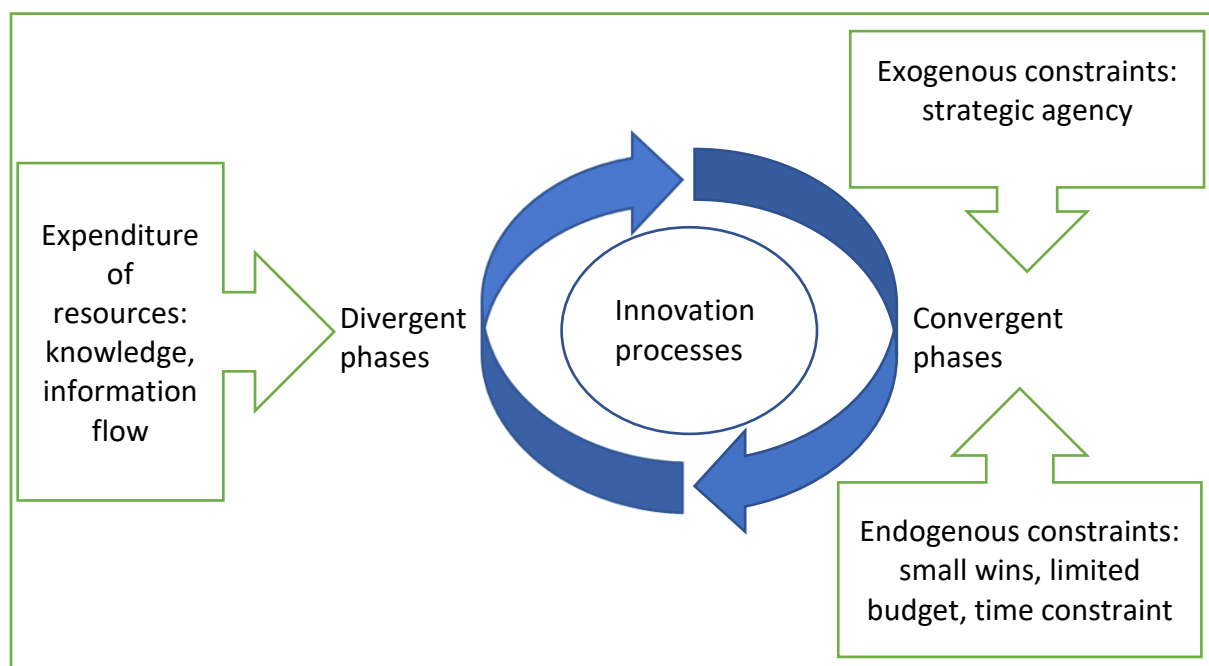


**Figure 7** 3P Framework applied into organisational context of Vuosaaren kotihoito. Applied from Paroutis, Heracleous and Angwin, 2013.

## 5.2 Learning and Innovation

This subchapter discusses the implications of knowledge, small wins, information and innovation into the process of learning during Project Voima. This discussion will begin with exploration of the knowledge perspectives within the project, and continue further by describing the role of small wins in the process of innovation. Next, the areas of information flow and innovation will be discussed.

The interconnectedness of these parts will be best illustrated by the figure that I developed based on the written content of the article by Garud, Tuertscher and Van de Ven (2013, pp.775-776). Below, the figure presented in the literature review will be further applied to present the process in the case organisation.



**Figure 8** Application of the Innovation Process Framework developed based on Garud, Tuertscher and Van de Ven (2013, pp.775-556)

The key contribution of this figure is that it illustrates the cyclical nature of innovation process that was apparent at Vuosaaren kotihoito. In the beginning phase of the project, there was relatively large expenditure of resources, when people were engaging in discourse and shared their knowledge as information flow. This divergent phase was followed by a convergent phase, during which the changes were relatively small. However, after half year of experimentation, the model was remodified by adjustment of working hours from ten to nine, which can be perceived as another divergent phase. After this adjustment, the routine remained relatively stable although some minor improvements, such as the attempt to focus more on afternoon activities with the customers, were still pursued.

The existence of this convergent phase was practical and necessary due to many reasons. First of all, there was a need to experiment the new service model that had been delivered during the divergent phase. Second, the budget for the project was limited, close to zero based on the interviews, which implied that there was no financial incentive to pursue further exploration before the first cycle of experimentation had taken place. Second, equally to the money constraint, there was the time constraint. The team created the change within their regular working hours, which meant that they had to be able to simultaneously work their regular duties and innovate the new model. In practice,

however, when they had reached the end of the first divergent phase, it was convenient to move to the experimentation of the newly established process. Third, there is the discussion on small wins. From the perspective of practitioners, the change was significant, although some interviewees perceived that it was an improvement that did not resolve all the problems. The reason why the notion of small wins is located under endogenous constraints is that they serve the function of discovering action-focusing possibilities, which were discussed by Garud, Tuertscher and Van de Ven (2013). These action-focusing possibilities can be perceived, from the employee point of view, for example as implementation of Project Voima. The project itself did not resolve all the problems related to the domain of home care, but it helped to decrease the pressure related to excessive workload, which in turn, was considered as an improvement to well-being at work.

Exogenous constraints were seemingly positive in this case. Institutional rules and organisational mandates (Garud, Tuertscher and Van de Ven, 2013) did not constrain the process as much as the above mentioned endogenous constraints. Instead, the team possessed high level of strategic agency that was discussed previously in this chapter under the strategy as practice perspective.

### **5.2.1 Knowledge**

Both explicit and tacit knowledge were implied in the relatively complex process of change, as the literature suggests (Koskinen, Pihlanto and Vanharanta, 2003). Explicit knowledge in this case was related to the formal education, or training received within the work place, that each team member possessed. The manager took the managerial role of managing change, in addition to formally structuring the new working schedule together with the work shift planner. The role of explicit knowledge was illustrated by her academic knowledge on the studies of a researcher and health care consultant Johan Groop, which had an impact on the strategy work, as the team was able to retrieve from that knowledge to the use of their own project.

The role of employees was also defined by their education: nurses were assigned roles that matched their explicit knowledge about medication and other related things, whereas the role of practical nurses reflected their explicit knowledge on what type of care did each customer require.

The role of tacit knowledge is also interesting for the purposes of this study. Tacit knowledge is difficult to articulate by definition, and therefore recognising it might be

challenging (Torado, Islam and Mangia, 2016). Indeed, as described in previous chapter, the interviewees had difficulty in addressing tacit knowledge, although they described some elements of it.

Floyd and Wooldridge (2000, p.104) argue that tacit knowledge often becomes apparent and integrated into a strategic initiative during the process of strategic renewal. This assumption was supported by the interview data, although the topic was difficult for most of the interviewees. The interviewees, however, named certain aspects of tacit knowledge that became shared during the project. These were related to sharing practices on how to improve afternoon activities with customers, and also to tacit knowledge related to motivating certain customers. Both of these factors became integrated into the initiative, as better care for the customer was being a key objective, and towards the end of the project its importance was further augmented.

Tacit knowledge also became apparent in the process, where the employees needed to reflect on the urgency of visits. The team worked together and tried to determine which clients required the care most urgently, and furthermore, which tasks were the most time sensitive. In this evaluation process, the team relied on each other and shared their thoughts, and tacit knowledge was transferred and even made explicit through the process when the employees were reflecting on their past behaviour as being foolish.

The spiral model of organisational knowledge creation of Nonaka (1994) has four categories: socialisation, combination, externalisation, and internalisation. When Vuosaaren kotihoito is contrasted against those categories, the interview findings support the existence of tacit knowledge in almost all the categories. The interviewees referred to their shared routine of taking care of patients as pairs. The shared actions and experiences fall into the category of *socialisation*, and according to Nonaka (1994) and Torado, Islam and Mangia (2016), in those situations tacit knowledge may be transferred without words. However, the data does not explicitly confirm whether tacit knowledge was being transferred in those situations at Vuosaari, although it seems likely.

Sharing explicit knowledge by explicit means, *combination*, occurred at Vuosaari for instance when the manager was reporting the results from similar experiments in Sweden, the so-called 3+3 model. *Externalisation* was shown in situations, where the employees decided to share their good experiences with certain customers and new routines related to afternoon care. Finally, internalisation was demonstrated by the discussion about the past practices and how they seemed completely inappropriate after

the new routine had been established. The group had internalised the idea of the new routine and how the customers were determined to urgent and less urgent, and going back to former way of behaviour was not considered to be an option. Whether all these described factors form a continuous cycle of development can be debated, but I feel rather safe to argue that it seems logical. However, it is clear that organisational learning did occur during the project, and knowledge sharing had an important role in that.

One key attribute of Vuosaaren kotihoito was openness. The group had very strong and informal ties, which led to trust and ability to express oneself freely. This was constantly discussed about in the interviews, and as the literature (Nonaka, 1994; Koskinen, Pihlanto and Vanharanta, 2003) highlights, such conditions have a positive impact on sharing both tacit and explicit knowledge. Furthermore, the team was in frequent interaction either in the form of area and team meetings or informal conversations, which even further facilitated sharing of tacit knowledge, as Koskinen, Pihlanto and Vanharanta (2003, p.288) argue when they discuss the concept of physically shared situationality.

In conclusion, the role of knowledge in this project was to support learning: explicit knowledge possessed by the interviewees was combined with explicit knowledge retrieved from external sources, such as academic articles of Mr. Groop. Tacit knowledge was made explicit in the process of discourse, where the care practices were critically evaluated. In addition, tacit knowledge was externalised, when employees were sharing their good experiences with certain customers.

Knowledge was institutionalised, i.e. it became an organisational capability as Floyd and Wooldridge (2000, p.118) suggested, and learning occurred, when the goals of the project were shifted towards integrating the tacit knowledge, that was shared by the employees, into the practices. Overall, in Project Voima, explicit knowledge of the practitioners was combined with tacit knowledge possessed by them. Throughout the project, both explicit and tacit knowledge were further accumulated and implemented into the learning process.

### **5.2.2 *Small Wins***

The idea of small wins (Weick 1984) became apparent in the interview data: although the change was not perceived to be perfect, it was considered to be an important step towards a better working environment, which led to people either continuing to work with the longer working hours, or adopting certain features about the new model, such

as different division of tasks during the day. Even though change was not possible for some employees due to their personal life attributes, all those of them who were interviewed shared a supportive attitude towards the project and highlighted that it was successful and reached its goals. Some of the interviewees who were critical to the new model noted that they would not go back to the old system, because despite its drawbacks, the new system was still better than the former. Moreover, those who quit working with the longer hours after a while felt that the newly organised daily routine was functioning better than the original distribution of tasks. It is to be noted, however, that despite the critique, most of the group continued working with the longer hours even after the project was officially over.

The theory on small wins also notes that strategy tools and strategizing by itself may be unfamiliar to the employees on a lower level of the organisational hierarchy. In the studied organisation, this was the case. That is probably why the process of strategy creation was highly concrete: it was based on group meetings and sense-making was facilitated by the use of big sheets on the wall and removable post-it stamps on them. Organising the daily routine was made a simple process, and employees were doing it together, as they discussed the urgency of the care of each customer either in pairs or in a larger group, depending on the situation.

The possibility for a large victory through seemingly minor changes, that Weick (1979) is advocating in his theory, became apparent in the case of Vuosaaren kotihoito. Most of the interviewees reported high levels of satisfaction to the new service model, and even those who did not perceive the project to have completely fulfilled their needs considered that the working routine had significantly improved. Through the adjustments on the daily routine, the organisation managed to decrease their level of absenteeism and increase work satisfaction, even if the latter was already on a high level prior to the project. The most significant gains for the employees seemed to have been related to better recovery and work-life balance as a result of increased number of days away from work and the fact that one-day offs were no longer encouraged. In addition, the customers received better care, which became apparent in new forms of activities in the afternoons, for instance.

### **5.2.3 Information Flow**

The role of information flow was prominent especially at the beginning of the project. Area meetings were arranged at a higher frequency than usual, and the whole team was

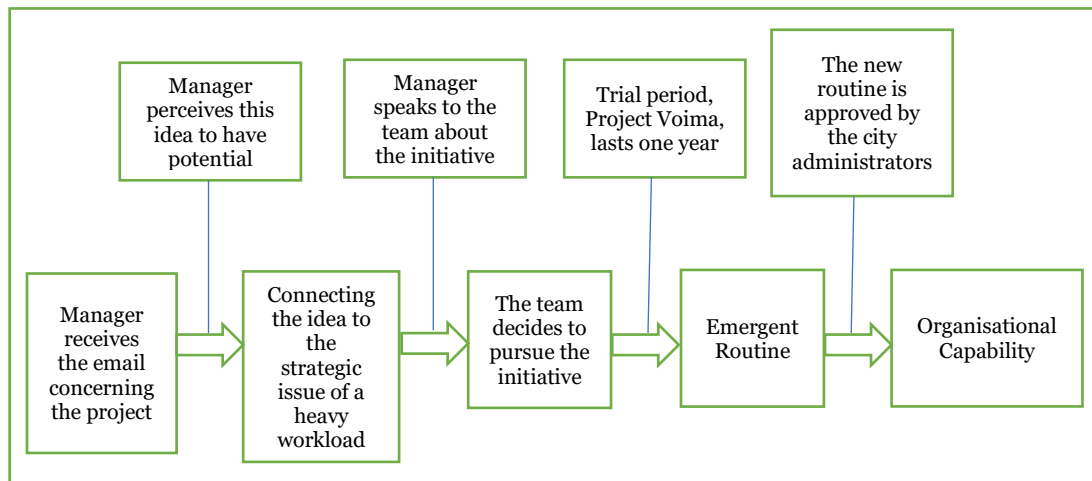
making sense of the project together. In addition to these area meetings, which represent a formal avenue for information flow, the interviewees referred to continuous informal conversations around the workplace outside the area meetings. As Weick (1979) suggests, in this type of an organisation, where the structure is flat and there are strong informal ties between people, they tend to communicate more freely, and their message becomes less distorted. As a result, sense-making is facilitated, and efficiency increased. This is exactly what seems to have happened at Vuosaari: based on the interview data, people reported fluent communication and their ability to discuss anything that came into their minds as positive features about the process of change. After the project had been successfully launched and the new routine had become a norm, the need for area meetings slightly decreased, and the team returned to their original meeting frequency.

Information flow was further facilitated by redundant information (Nonaka, 1994) possessed by individuals. Even if people were working at different positions and had slightly different educational backgrounds, they all shared both explicit and tacit knowledge on health care services as an area of expertise, but also specifically related to their service area of Vuosaari, which both facilitated their mutual understanding of each other and may have alleviated sharing of ideas.

#### **5.2.4 Innovation**

Information asymmetries between individuals can be perceived as fuel for innovation (Floyd and Wooldridge, 2000). Weak ties that were discussed previously, serve as a platform for sharing ideas across organisational boundaries. When new ideas enter the organisation, the opportunity for new emerging initiatives may rise. Project Voima is an example of an innovative process that was developing in an organisation as a result of information asymmetry that was produced by an email from outside the organisation.

According to Garud, Tuertscher and Van de Ven (2013, p.774), innovation consists of invention, development and implementation of new ideas. In Project Voima, these were all apparent. Figure 9 below illustrates the development process of the initiative, Project Voima:



**Figure 9** Development of Project Voima. Applied from Floyd and Wooldridge (2000, p.118)

Emergent strategic initiative usually starts with one individual, who invents the idea, or in the case of Vuosaaren kotihoito, receives the email concerning the idea. The second step of the process is that the individual interprets the idea and connects it to a strategic issue. At Vuosaari, the implication was that the manager was spending time in reading the email instead of deleting it and was willing to consider that the idea might have potential for the organisation. Hence, the result of this thought process was that the manager noticed that the idea could potentially solve the problem of heavy workload of the organisation and its negative consequences. Next, the process involves articulation of the idea to an audience. In the case, this refers to the moment when the manager shared the idea with the team, and the team discussed it. At the third step, the initiative was officially born, and the team had decided to pursue it. After this step, the team experimented the initiative and adjusted it. The result of this experimentation was that the team had developed a new routine, step four of the process, which must have received approval, i.e. ratification from the upper levels of the organisation. When the initiative reached that, it moved to the fifth and final stage of the process, and became an organisational capability.

At the starting point, the manager was the only one possessing strategic information on the initiative, but through communication, the information became more explicit, and a new hierarchical social network began to emerge (Floyd and Wooldridge, 2000, p.122). This network in the case of Vuosaari consisted of the entire team, and it can be called new, because the employees received new roles as strategic change agents.



According to Floyd and Wooldridge (p.122-123), knowledge tends to be at first centralised to the initiator, but as a result of idea development and further elaboration of the strategic logic behind the initiative, explicit, group-level knowledge of the underlying logic and strategic relevance of the initiative is being created. The interview data reveals this to have happened in Vuosaari: at first the manager carried a central role by bringing the initiative to the team, and by setting guidelines which the other team members should follow while considering the initiative. However, although the manager seemed to have the highest level of understanding on the nature of the project at first, she did not have all the answers. That is why she pointed out many problems about the initiative to the group. The response to those challenges that were voiced out was that the employees started inventing solutions to them. At this stage, the discourse was described to have been intense and elaborate, and as a result of that discourse, the ownership of the initiative was distributed to the entire team.

Usher (1954 cited in Garud, Tuertscher and Van de Ven, 2013, p.779) calls the previous recombination of ideas across different knowledge domains. In the process, the team experienced a process of transformation through cumulative synthesis as they accumulated knowledge and synthesised it into a new service model. As a result, their work routine changed significantly, and they had to learn how to work along with the new service model. As Garud, Tuertscher and Van de Ven (2013) argue, the process of innovation was time consuming and the true value of it was found only after a rather long period of experimentation, when the group changed their attitudes toward the new model from “whether this is a good thing or not” to “whether we are allowed to keep it or not”.

The researchers (Garud, Tuertscher and Van de Ven, 2013) further discuss that innovative ideas are more likely to be implemented when they become integrated with the old structure. On one hand, at Vuosaari, the routine was reorganised from the beginning, but on the other hand, the activities at first remained almost the same: they were just put in a new order. This can be viewed as consistent with the old structure, and perhaps also as a small win. However, as time passed, tacit knowledge of good practices regarding the afternoon care activities became explicit, and those practices were also integrated at some level into the group behaviour. This is another example of a small win that took a step further: the old structure had been reframed by reorganising customer visits, and at the time when the development ideas for afternoon activities were brought

into attention, they were consistent with the newly defined structure, where there was more time in the afternoons.

As Nonaka (1994) discusses, innovation has a cyclical nature, and that was true also in Vuosaari. Some of the interviewees reflected on the continuous process of development that has been going on since Project Voima was launched. The targets have been changing a little, but the need for improvement has remained. The process accumulated information and knowledge, and those were used to setting up the new objectives. Concrete examples of such include emphasis on well-being at work, and the objective of improving the afternoon care processes. Floyd and Wooldridge refer to the same issue by stating that definition of an organisational goal, or more theoretically an order-inducing mechanism, is more likely to follow rather than precede strategic change initiatives.

After the launch of Project Voima, Vuosaaren kotihoito has been contacted by many other home care organisations, and the manager alongside with the employees has been advocating the issue in many different forums. At the interview day at their premises, the manager had prepared a meeting for a group of people interested in learning about Voima, and at the hallway of the building, there was a magazine of the labour union, in which one nurse from the team was on the cover page. In the interviews, I was told that two employees from the team had been presenting their project results at an event of a trade union. The cover story was initiated by that presentation. In addition, many other home care organisations have been interested in learning about Project Voima at Vuosaari, as was the team of Vuosaari interested of what was happening in Koskela before they chose to join the project. The project has also received media attention, and even my research interest, which indicates that it has been an innovation process that has spanned to an interorganisational level.

As Groop et al. (2017) discuss, the change within the industry has been widespread. Based on the knowledge acquired from the interviews and the previously mentioned promotion of the work of Vuosaaren kotihoito, contributions of Vuosaaren kotihoito have supported the change within the industry. The industrial change was also discussed within the interviews: both the need for it, and the need for knowledge of its outcomes. As the manager highlighted in both of her interviews, more knowledge is needed to be able to define the full consequences of the project. In the phone interview she explicitly wished for gaining experience, from many organisations, on the financial consequences

of the new service model. This indicates that by interorganisational knowledge accumulation, industry-wide learning can occur.

### **5.2.5 *The Organisational Context***

Vuosaaren kotihoito had an open and trusting environment with flat organisational structure. Fottler (1981) and Hansen and Ferlie (2016) note that the strategic objectives of public organisations are often related to fulfilment of the mandate and mission of the organisation rather than profit maximisation. At Vuosaari, the goals for the project were related to decreasing the overload of work, possibility for gaining more days off from work, eliminating long working periods, serving the customers better, diminishing absenteeism, and distributing the workload during the days more evenly. These goals are versatile, and they represent different perspectives. Fottler (1981) and Boyne (2002) discuss this dilemma that public managers have to face: multiple objectives are imposed upon them by multiple stakeholders. However, at Vuosaari, the objectives were not conflicting, which made it possible to create a new service model that was able to address all of them. This can also be viewed as an example of divergent thinking that seeks for solutions that increase the pie rather than share it, in the words of Feldman (2005), a perspective that does not accept zero-sum dichotomies.

Even if the objectives for the project, or at least their priorities, were divergent for different stakeholders, the means to reach those goals were the same. Weick (1979, pp.91-92) calls this a diverse ends, common means approach. The employees were motivated to pursue the initiative although their personal motivations were different. The result, however, was mostly positive for all the regarded aspects. Furthermore, also the notion of goal assimilation that Weick (1979) acknowledged, was present at Vuosaari. In the beginning the individual goals (or ends) were different, such as “more free time”, “better service for customers”, or “diminishing absenteeism”. Toward the end of the project, improvement of afternoon activities became a shared goal, and also the importance of all the other goals was acknowledged by many interviewees. Based on that one can conclude that the team constructed some kind of a perception of a shared end, in which all the diverse ends were acknowledged.

The trend toward more autonomous and less bureaucratic public organisations discussed by Hansen and Ferlie (2016) and Mintzberg (2017) is in line with the case organisation. The Resource Based View (RBV) perspective of Hansen and Ferlie (2016) suggests that organisations can achieve competitive advantage by utilising their

resources most effectively. According to RBV, organisations react to major and rapid changes in the environment by integrating, building and reconfiguring their resources and competencies. This view is very similar to that of Floyd and Wooldridge (2000), that represents strategic renewal as continuous adaptation and learning in order to align the organisation with its environment. As the government of Finland is currently preparing new legislation for opening markets to competition, it is reasonable to claim that the health care sector of Finland is facing rapid and significant change. Furthermore, financial pressure to streamline costs is strengthening when population is aging, and tax resources are limited.

The manager of the case organisation was working with her team as Mintzberg (2017) and Feldman (2005) recommend: as a co-worker initiating strategic discourse and synthesizing information. As typical to this type of inclusive management, employees were empowered, and strategy work was conducted and shared with external parties, such as other health care organisations. In practice, this was shown by the visit to Koskela by some team members of Vuosaari, and later in the willingness to share the experience gained from the project with other entities. In this sense, weak ties were also recognised, and their importance was understood.

Furthermore, the strategic change was planned at the bottom of the organisation and labelled as successful because of the reasons identified by Mintzberg: the knowledge about grass root operations lies within the employees at the bottom of the organisational structure.

Based on the interviews, the situation at home care has been difficult, as limited resources and aging population have led to an accumulating workload. This in turn has led to exhaustion of the employees, the most significant asset of home care organisations. Towards this background, RBV seems applicable: the team at Vuosaari integrated their knowledge and built an entirely new process of planning the new service model, which reconfigured the use of their human resources and took advantage of the competences of each team member. As a result, their performance improved significantly, and the employees were able to manage their work better. The consequence for competitive advantage was not directly addressed in the interviews, although several interviewees deliberately mentioned that they thought that this type of a service model should be utilised in every home care organisation. This can be considered as an indication of competitive advantage of the new service model.

As many scholars have argued (Rouleau, 2005; Mantere, 2008; Paroutis, Heracleous and Angwin, 2013), middle management seems to have an important perspective into strategizing. In the case of Vuosaaren kotihoito, the manager recognised the strategic potential of the project and was able to share the idea with her team. The team continued pursuing the initiative together, as a collective effort. This type of participatory strategic planning (or inclusive management as discussed above) has been a trend in public organisations (Berry and Wechsler, 1995), where lower level employees are involved in strategizing on a wider scale. The implications suggested by the Berry and Wechsler are improved teamwork and communication, higher level of engagement, and improved organisational culture and service delivery. At Vuosaari all of these attributes seem to have actualised.

#### *5.2.5.1 The Dilemma of Measurement*

Mintzberg (2017) and Fottler (1981) notice the difficulty of performance measurement in public organisations. According to them, quality features often remain undervalued as a result of emphasis on the resource-based issues that can be measured easier. Mintzberg (2017) further argues that excessive measurement may have negative consequences to overall performance of the organisation as it may result in increased competition among the operators instead of cooperation, and also decrease the natural engagement of the professionals. At Vuosaari, and according to the manager, at any Finnish home care organisation, the intensity of measurement has overspread rapidly. The measure, touch time, refers to the ratio of time spend at the customer. This is an interesting measure, because although it is a quantitative measure, qualitative implications of it seem relatively direct: the more time a caretaker is spending with the customer, the less time is spent in the car or at the office. Although all the previously mentioned tasks are necessary in performing a good quality service, it can be argued that the customer experience of better care is highly related to the ratio of touch time. The interviewees also noted the improvement of service from the customer point of view.

The implications for cooperation and engagement are harder to define based on the interview data. The project itself was a cooperative endeavour, and increased the engagement of the employees. However, it is difficult to say whether measurement had any impact on this, because the interviewees perceived it as a separate issue that would have changed regardless of the project.

### *5.2.5.2 Comparison of Project Voima to the Work of Johan Groop*

As previously noted, the studies of Johan Groop had an influence on the strategy process of Vuosaaren kotihoito, because they served as a source of information on similar processes in other Finnish home care organisations, and hence inspired the process of innovation. However, Vuosaaren kotihoito worked independently to solve their own strategic dilemmas, and the new service model that they came up with was different from that of earlier models such as the one developed by Mr. Groop and his colleagues (for an example, see Groop et al., 2017).

The context and the problem at Vuosaari were relatively similar to those of Espoo, where Groop et al. (2017) had been conducting their study. Care was delivered to home, customers had different needs, and there were peaks in demand for mornings and late afternoons. All this resulted in high stress levels at Vuosaari, as they did in the case organisation of the earlier research.

The beginning thought of Project Voima was the idea of implementation the 3+3 model from Sweden, which was different from the thoughts of Groop and colleagues in one significant way: the focus was on the employee well-being instead of resource efficiency. The aim was to help the employees recover better from their demanding work, and to provide them with the ability to foresee their work shifts for a longer period of time, when the cycles of work became more constant. The previous refers to planning work in six week schedules, which consisted of pattern of four days at work by maximum, and two days off by minimum.

At Vuosaari, the solution to levelling demand for non-time sensitive visits, i.e. allocating them outside the peak hours, was similar to that of Groop et al. (2017). However, the manager stated on the phone interview that this idea emerged within the team before she recalled the studies of Groop. The objective of prioritising level demand over minimised travel time was not apparent in the interview data. However, based on the notion that there are four distinct home care units in Vuosaari, which is a suburb of Helsinki, it seems likely that the travel time between each customer was not long.

Another proposition that Groop et al. (2017) identified for their case was to activate only as many caregivers locally as needed to optimise touch time ratio. This proposition was not discussed within the interviews of this study. Rather there was a notion of constant need for more employees, because the customer base of the unit had been steadily increasing and becoming older, i.e. more demanding.

The fourth proposition of Groop et al. (2017) was the creation of a pool of substitute workers. This outcome was also realised at Vuosaari, although the mechanism for producing it was different from that of Groop et al. (2017), who focused more on efficiency. At Vuosaari, the pool consisted of separate employees who would only be working through the pool, whereas in the model developed by Groop et al., the pool consisted of employees from the actual teams.

In conclusion, the service model that was developed in Vuosaari was similar in some features, and distinctive in other features compared to that of Groop et al. (2017). What is of interest in this study, is however, that the strategy creation process was a collective effort that was conducted within the team. In that sense, the outcome details do not matter. What was significant, was the involvement of the employees in the strategic process, and all the dynamics and the cycle of innovation and learning that evolved over time within the team.

## 6 CONCLUSION

The process of change at Vuosaaren kotihoito was an interesting example of decentralised strategizing. The case demonstrated how people at the low levels or organisational hierarchy were able to construct a new service model that could respond to their needs in a way that satisfied all the remaining participants. Some team members were not happy with the change at first, but after a while most of them got convinced by the advantages of the new task arrangements, if not the longer working hours per se. The rest of those who were dissatisfied had left the organisation before the interviews were conducted, and consequently their input was not available for this study. However, despite of the few who were not satisfied with the project and decided to leave, the overall level of satisfaction within that majority who stayed in the organisation was high. A clear proof for that is that current rate of employees working with Voima hours at the time when I am writing this conclusion, is 100%. The nature of home care as a domain is hard, and the pressure to increasing workload is extensive. However, through the new organisation of work, the team was able to decrease that pressure for a while and to gain ownership of their work.

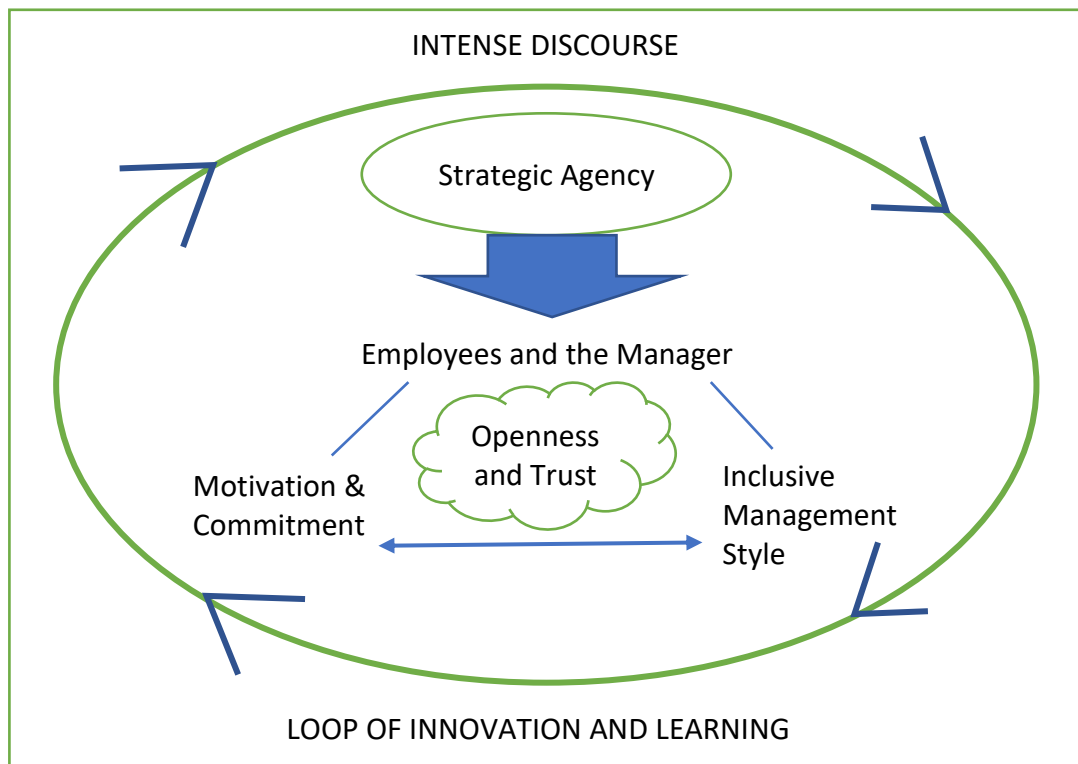
The research question of this study is:

*What were the key issues that contributed to the process of strategic change at Vuosaaren kotihoito?*

The findings of my research suggest that strategic agency and the team level engagement were the keys for success. These combined with an open and trusting culture created ideal conditions for strategic change. The management practices within the team were supportive for strategic agency, and the manager was working together with her team to encourage participation and collective problem-solving. In addition, employee motivation for change was reported high, no matter whether the preliminary source for that motivation was related to an increase in free time, better customer service or something else. Finally, the ability of the team to engage in discourse and to improve their model created the loop of innovation and learning, which led to an outcome that the interviewees evaluated as highly successful.

The key issues can be summarised as follows:

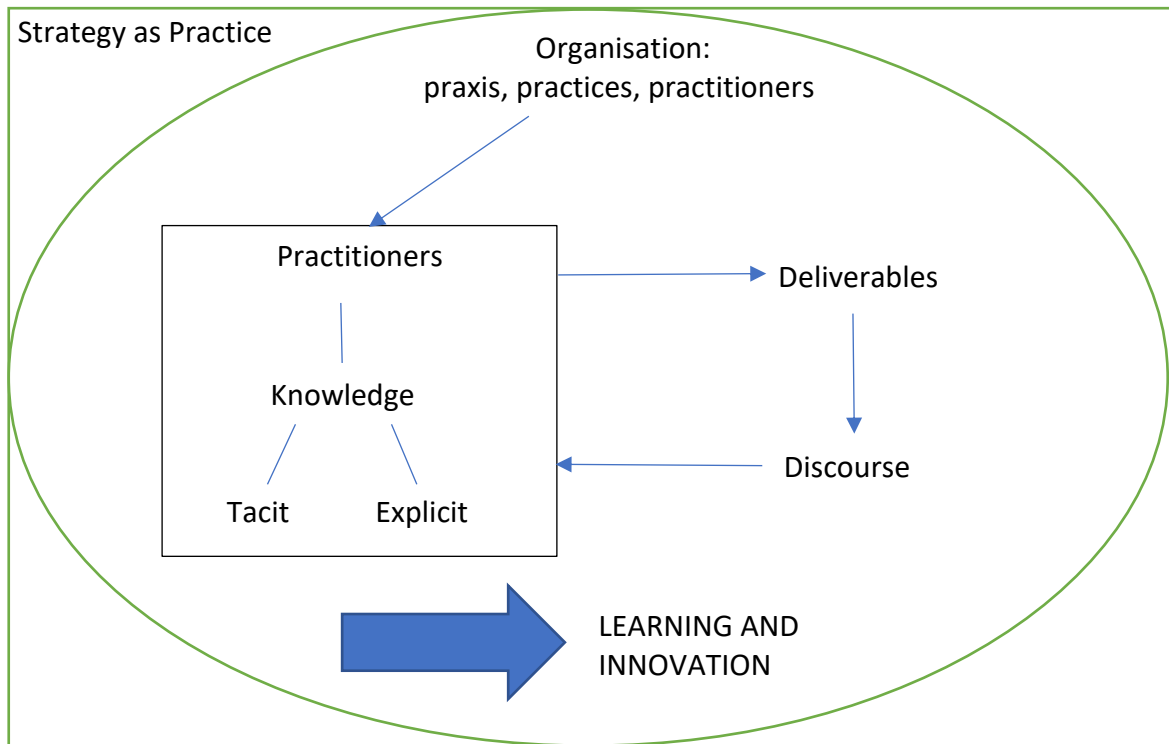




**Figure 10** Summary of the Main Contributing Factors to Process of Change

Many of the interviewees acknowledged the importance of voluntariness, and furthermore, discussed the implication of the strategic involvement on motivation and commitment to the new model. In addition, inclusion of the employees had an important effect on the content of the new service model. Those who participated in the project were the ones conducting the actual field work, which made them familiar with the true issues within the context. With the help of extensive sense-making processes and continuous discourse, the team gained insights on how to further improve their service model.

Organisational culture had a significant role in the change process. At Vuosaari, the atmosphere was supportive towards a change endeavour, because the situation at the team in the beginning of the project was calm enough to allow additional efforts required to strategizing, but also open and trusting, which facilitated the discourse and idea generation. Knowledge was transferred, and learning occurred. The conceptual framework of this study is representative to what happened within the organisation during the change process. To elaborate this, the framework will be presented below, and the organisational reality will be contrasted to it:



**Figure 11** The Conceptual Framework of this Study

The perspective of strategy as practice does not need further elaboration at this stage. However, in conclusion, organisational praxis, practices and practitioners were all functioning as a tripod to support strategic change. The employees of the organisation, and the manager, were all involved in strategizing, and their roles were assigned based on their knowledge and expertise. The informal atmosphere within the team facilitated sharing knowledge, and as a result, both tacit and explicit knowledge were expressed. The deliverables in the context of Vuosaaren kotihoito refer to the information, views and knowledge that each participant brought in strategic discourse. Many times, those deliverables were related to their professional roles, which added value for the process of organisational knowledge accumulation through discourse. This discourse itself was an integral part of the process. It facilitated sense-making, and even more importantly, it served as the main avenue of strategy creation. As a result, the group learned how to organise their work in a new way, and created a new service model that was highly innovative in the context of home care.

### **6.1 Suggestions for Further Research**

This study has been an explorative study of a strategy change process that took place in one Finnish home care organisation. As it has been stated throughout this study, the field of health care is experiencing rapid change. Therefore, more research about management

in health care, strategic change processes, and innovation is needed to address the changes ongoing in the field of health care. The studies of Johan Groop and his colleagues have raised awareness of the change potential in the sector of home care, as was demonstrated in this study. Studies contributing to this field might therefore have direct consequences to experimentation in organisations and, hopefully, application of the findings could lead to improved performance which would be highly appreciated in the resource scarce environment of health care provision. As a result, the whole community (and communities all around the world) could benefit from better service and practices.

Furthermore, from the perspective of the researcher community, it would be interesting to study the perspective of New Public Management in the context of health care strategy. As noted during the literature review, Mintzberg (2017) criticised the perspectives of NPM, and claimed that health care organisations should not be run like private enterprises. I would suggest studying that notion further, for example by implementing the theory of Garud, Tuertscher and Van de Ven (2013, p.792), where innovations span across different organisations and even industries. The question of NPM could be reversed: what could private organisations learn from public organisations such as Vuosaaren kotihoito? I believe that the distinction between the two types of organisations in this case would not be as significant, although Vuosaaren kotihoito was a clear example of a relatively flat organisation that did not correspond the description of public organisations as bureaucratic entities.

## **6.2 Acknowledgements**

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**APPENDIX 1            INTERVIEW GUIDE (IN ENGLISH)****Background information:**

Organisational status of the interviewee:

Length of employment within the organisation:

Age:

**Theme 1: Starting point before Project Voima**

- Describe the situation prior to the beginning of the project.
- Which reasons led to launching the project?
- Which entities (people, organisations, or other involved parties) influenced the birth of the project?

**Theme 2: Launch of the project**

- How did the project start?
- Who promoted the project?
- Which were the central goals of the project?
- Did these goals change during the process?
- Describe the progress of Project Voima
- What challenges were observed during the project?
- How were those challenges resolved?

**Theme 3: Practitioners**

- Who participated in the project?
- Why did they participate?
- What were their roles?

- Describe your own influence to the project development
- At which stage of the project did other parties join the project?
- Who were heard and who should have been heard?
- How did the participants experience the process?
- How was information collected?
- Was so called tacit knowledge, i.e. knowledge accumulated to the people within organisation that may not have been previously articulated in words, but that had been enacted, being taken advantage of?
- If yes, how was it made explicit?

#### **Theme 4: Organising**

- What kind of information was collected during the project?
- How was that information synthesised?
- How did information flow between the different organisational units?
- How did contact between the different practitioners function?
- What kind of challenges there were in coordinating the project?
- How were those challenges resolved?
- Who was in charge of coordinating the project?
- What should have been done differently, or could have been improved?

#### **Theme 5: After the project**

- How much time did participation in strategy work require?
- Was it useful?
- How do you evaluate the success of the project?
- Were any such operating practices discovered during the project that could be further implemented in the organisational culture of your organisation?

**APPENDIX 2 INTERVIEW GUIDE (IN FINNISH)****Taustatiedot:**

Haastateltavan asema organisaatiossa:

Työuran pituus organisaatiossa:

Ikä:

**Teema 1: Lähtötilanne ennen Voima-hanketta**

- Kuvaile tilannetta ennen projektin alkua
- Mitkä syyt johtivat hankkeen käynnistymiseen?
- Mitkä tahot (henkilöt, organisaatiot tai muut osalliset) vaikuttivat hankkeen syntyyn?

**Teema 2: Hankkeen käynnistyminen**

- Miten hanke käynnistyi?
- Kuka toimi sen promoottorina?
- Mitkä olivat hankkeen keskeiset tavoitteet?
- Muuttuivatko nämä tavoitteet prosessin aikana?
- Kuvaile hankkeen etenemistä
- Mitä haasteita hankkeen aikana havaittiin?
- Kuinka ne ratkaistiin?

**Teema 3: Toimijat**

- Ketkä kaikki osallistuivat hankkeeseen?
- Miksi juuri he?
- Mitkä heidän roolinsa olivat?
- Kuvaile omaa vaikutustasi projektin etenemiselle

- Missä vaiheessa projektia eri tahot tulivat mukaan?
- Keitä kaikkia kuultiin / keitä olisi pitänyt kuulla?
- Miten osallistujat kokivat prosessin?
- Miten tietoa kerättiin?
- Hyödynnettiinkö ns. hiljaista tietoa, eli organisaation ihmisille kerääntynyttä tietoa jota ei välttämättä ole aiemmin tuotu esiin sanojen tasolla, vaan osana käytännön työtä?
- Jos kyllä, miten se saatiin esiin?

#### **Teema 4: Organisoiminen**

- Mitä tietoa projektin aikana kerättiin?
- Kuinka tieto koostettiin yhteen?
- Miten tieto kulki organisaation eri osien välillä?
- Miten yhteydenpito eri osapuolten välillä toimi?
- Millaisia haasteita projektin hallinnoimisessa oli?
- Miten ne ratkaistiin?
- Kenen vastuulla projektin hallinnointi oli?
- Mitä olisi pitänyt tehdä tehnyt toisin tai voinut kehittää?

#### **Teema 5: Projektin jälkeen**

- Kuinka paljon aikaa strategiatyöhön osallistuminen vaati?
- Oliko se mielekästä?
- Miten arvioit hankkeen onnistumista?

- Löytyikö projektin kautta uusia toimintatapoja, jotka voisi liittää laajemminkin osaksi organisaationne toimintakulttuuria?

**APPENDIX 3            INTERVIEW GUIDE FOR THE PHONE INTERVIEW (IN ENGLISH)****The role of Johan Groop at Project Voima**

1. How did you learn about Johan Groop?
2. At which stage of the project did he become involved?
3. How was he involved in the project?
4. What was his influence on the project?

**General questions**

1. When you in the middle of Project Voima shifted to nine hour work days, how many days more the employees needed to work per six weeks?
2. When were the slide shows that you shared with me created?
3. I read from a letter to the editor by Seija Meripaasi, the director of social and health service hospital, rehabilitation and care services (Helsingin Sanomat, 2.2.2018), that there will be 40 new employees hired into the home care units of Helsinki. Have you received new employees into your team?

**APPENDIX 4            INTERVIEW GUIDE FOR THE PHONE INTERVIEW (IN  
FINNISH)****Johan Groopin rooli Voima-hankkeessa**

1. Miten kuulit Johan Groopista?
2. Missä vaiheessa hanketta hän tuli mukaan?
3. Miten hän osallistui hankkeeseen?
4. Mikä oli hänen vaikutuksensa projektille?

**Yleiset kysymykset**

1. Kun siirryitte kesken Voima-hankkeen yhdeksän tunnin työpäiviin, kuinka monta päivää enemmän työntekijöiden piti tehdä töitä kuudessa viikossa?
2. Milloin jakamasi diaesitykset on laadittu?
3. Luin Helsingin Sanomien mielipidepalstalta 2.2.2018 Helsingin sosiaali- ja terveystoimen sairaala-, kuntoutus- ja hoivapalveluiden johtaja Seija Meripaaden kirjoituksen, jonka mukaan Helsingin kotihoitoon palkataan 40 uutta työntekijää. Oletteko te saaneet uusia työntekijöitä tiimiinne?

**APPENDIX 5 INFORMATION LETTER TO THE PARTICIPANTS OF THIS STUDY (IN ENGLISH)**

This study is part of the master's thesis of Salla Hyytiäinen from Hanken Svenska handelshögskolan. The title of study is "The Process of Service Model Innovation in a Public Organisation – Case Vuosaaren Kotihoito, which translated into Finnish is "Toimintamallin innovointiprosessi julkisessa organisaatiossa - Case Vuosaaren kotihoito".

The aim of this study is to investigate the strategy change process at Project Voima and the relating issues from the perspective of those who participated in the project. The researcher is attempting to understand the nature of the project and its characteristics, as well as its weaknesses, and the areas of development. Based on this understanding I attempt to draft a generalisable model that would learn from the experiences at Vuosaari and that could be applied to resolve challenges both within the organisation under investigation and in other organisations.

The research data will be collected by interviews, in which the interviewees have the opportunity to describe the project in their own words. The length of the interviews will be approximately 30-60 minutes per interviewee. The interviews will be recorded and transcribed if the interviewees give their permission to the researcher. Recording the interviews will provide the researcher with better possibility for analysis, because it allows returning to the data discussed in the interview also post-interview, and things can be verified. Personal information will not be collected during the study, although some basic background information will be asked. Examples of such include the interviewee's position within the organisation, the length of his or her career within the organisation, and the age of the interviewee. Participation to the study is voluntary. The interviewee has the right to discontinue his or her participation to the study or deny answering a question that has been posed to him or her.

The data collected will be treated confidentially, and it will not be distributed to third parties. The data will be utilised only to produce this master's thesis, and it will be destroyed after the research has been terminated. Direct quotes from the interviews may be included to the study as well as the background information described above. This study will follow the principles of responsible conduct of research.

Thank you for your participation!

At Vantaa 6.11.2017

Salla Hyytiäinen



**APPENDIX 6 INFORMATION LETTER TO THE PARTICIPANTS OF THIS STUDY (IN FINNISH)****INFORMAATIOKIRJE TUTKIMUKSEEN OSALLISTUVILLE**

Tämä tutkimus on Salla Hyytiäisen Pro Gradu -tutkielma Hanken Svenska handelshögskolanille. Tutkimuksen otsikko on ”The Process of Service Model Innovation in a Public Organisation – Case Vuosaaren Kotihoito”, eli suomennettuna ”Toimintamallin innovointiprosessi julkisessa organisaatiossa - Case Vuosaaren kotihoito”.

Tutkimuksen tavoitteena on selvittää strategian muutosprosessia Voima-hankkeessa ja siihen liittyviä seikkoja projektiin osallistuneiden näkökulmasta. Tutkija pyrkii ymmärtämään hankkeen luonnetta ja sen ominaispiirteitä, sekä sen vahvuuksia ja kehittämiskohteita. Tämän ymmärryksen pohjalta tavoitteena on hahmotella yleistettävä toimintamalli, joka ottaisi mallia Vuosaaren kokemuksista, ja jota voisi soveltaa haasteiden ratkaisemiseksi sekä tutkittavassa organisaatiossa että myös muissa organisaatioissa.

Tutkimusaineisto kerätään haastatteluilla, joissa haastateltavilla on mahdollisuus kertoa omin sanoin projektista. Haastattelujen kesto on arviolta 30-60 minuuttia haastateltavaa kohti. Haastattelut nauhoitetaan ja litteroidaan, mikäli haastateltavat antavat siihen suostumuksensa. Haastattelujen tallentaminen antaa tutkijalle paremman mahdollisuuden analyysiin, koska haastattelussa kerrottuihin asioihin voi siten palata myös jälkikäteen ja asioita voi tarkistaa. Henkilötietoja ei kerätä tutkimuksen aikana, mutta muutamia perustietoja, kuten henkilön asemaa, työuran pituutta organisaatiossa, sekä ikää kysytään. Tutkimukseen osallistuminen on vapaaehtoista. Haastateltavalla on oikeus milloin tahansa keskeyttää tutkimukseen osallistuminen tai kieltäytyä vastaamasta hänelle esitettyyn kysymykseen.

Kerättyä aineistoa käsitellään luottamuksellisesti, eikä sitä luovuteta ulkopuolisille. Aineistoa käytetään vain tämän gradun kirjoittamisessa, ja se tuhoetaan tutkimuksen valmistuttua. Tutkimukseen voidaan sisällyttää suoria lainauksia haastatteluista, sekä mainita yllä mainittuja tunnisteita kuten henkilön asema organisaatiossa. Tutkimuksen teossa noudatetaan hyviä tutkimuseettisiä periaatteita.

Kiitos osallistumisestasi!

Vantaalla 6.11.2017

Salla Hyytiäinen